

**AMENDED AND RESTATED
BYLAWS**

VERCELLO HOME OWNERS ASSOCIATION

Wedgewood at Renton, Inc., acting as Developer prior to the termination of the Development Period pursuant to its authority to act on behalf of the VERCELLO HOME OWNERS ASSOCIATION, hereby adopts these Amended and Restated Bylaws. These Amended and Restated Bylaws supersede and replace the Bylaws dated March 20, 2006.

ARTICLE I

NAME

The name of the corporation is VERCELLO HOME OWNERS ASSOCIATION. The Association is established pursuant to the Declaration, as defined below.

ARTICLE II

DEFINITIONS

SECTION 1. "Association" shall mean VERCELLO HOME OWNERS ASSOCIATION, its successors and assigns.

SECTION 2. "Declaration" shall mean and refer to that certain Declaration of Protective Covenants for the Plat of Wedgewood Lane, recorded under King County Recording No. 20070504000274, and any amendments thereto.

SECTION 3. Other capitalized terms used herein shall have the meanings set forth in the Declaration.

ARTICLE III

MEETING OF MEMBERS

SECTION 1. ANNUAL MEETINGS. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held within the first quarter of the year of each year thereafter. Meetings of members and directors may be held at the Association's principal office or at such other places within the State of Washington as may be designated by the Board of Directors.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote ten percent (10%) of all of the votes.

SECTION 3. NOTICE OF MEETINGS. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by hand-delivery or prepaid, first class United States mail to the mailing address of each owner or to any other mailing address designated in writing by the owner, no less than fourteen (14) nor more than sixty (60) days before such meeting to each Member entitled to vote. Such notice shall specify the time and place of the meeting and the business to be placed on the agenda by the Board of Directors for a vote by the Members, including the general nature of any proposed amendment to the Articles of Incorporation, Bylaws, any budget or changes in the previously approved budget that result in a change in assessment obligation, and any proposal to remove a director.

SECTION 4. QUORUM. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes of the Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

SECTION 5. PROXIES. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

SECTION 6. MEETING TO RATIFY BUDGET. Within thirty (30) days after adoption by the Board of Directors of any proposed regular or special budget of the Association, the Board shall set a date for a meeting of the Members to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing of the summary. The meeting to consider ratification of the budget may be combined with the annual meeting of the Association. Unless at that meeting the Members of a majority of the votes in the Association are allocated reject the budget, in person or by proxy, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board of Directors.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

SECTION 1. NUMBER. The affairs of this Association shall initially be managed by a Board of one (1) Director. After termination of the Development Period, the affairs of the Association shall be managed by a Board of at least three (3) Directors, who need not be Members of the Association.

SECTION 2. TERM OF OFFICE. Upon the termination of the Development Period, the Members shall elect at least one (1) director for a term of one (1) year, and at least two (2) directors for terms of two (2) years each. At each annual meeting after the termination of the Development Period, the Members shall elect Directors to fill vacancies for a term of two (2) years.

SECTION 3. REMOVAL. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his or her successor shall be selected by the remaining Directors and shall serve for the unexpired term of his or her predecessor.

SECTION 4. COMPENSATION. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

SECTION 1. NOMINATION. Nomination for election to the Board of Directors shall be made by the Board. The Board of Directors shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

SECTION 2. ELECTION. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

SECTION 1. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held at least three (3) times each year, one (1) of which shall be held immediately following the annual meeting of the Members. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

SECTION 3. QUORUM. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

SECTION 4. ACTION TAKEN WITHOUT A MEETING. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

SECTION 5. OPEN MEETINGS; CLOSED SESSIONS. Except as provided in this Section, all meetings of the Board of Directors shall be open for observation by all Members of record and their authorized agents. The Board of Directors shall keep minutes of all actions taken by the Board, which shall be available to all Members. Upon the affirmative vote in open meeting to assemble in closed session, the Board of Directors may convene in closed executive session to consider personnel matters; consult with legal counsel or consider communications with legal counsel; and discuss likely or pending litigation, matters involving possible violations of the governing documents of the Association, and matters involving the possible liability of an Member to the Association. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The Board of Directors shall restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the Board of Directors, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. The requirements of this Section shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1. POWERS. The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties, including but not limited to fines, for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days from infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, the Declaration or Washington State Statute;

(d) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

SECTION 2. DUTIES. It shall be the right and duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by ten percent (10%) of the Members who are entitled to vote;

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the estimated regular assessment against each Lot;

(2) send written notice of each assessment to every Owner subject thereto; and

(3) at the Board's discretion, foreclose the lien against any property for which assessments are not paid within forty-five (45) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Common Area to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

SECTION 1. ENUMERATION OF OFFICERS. The officers of this Association shall be a President and Vice President, who shall at all times be Members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

SECTION 2. ELECTION OF OFFICERS. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

SECTION 3. TERM. The officers shall be elected annually by the Board and each shall hold office for one (1) year unless such officer sooner resigns or is removed.

SECTION 4. SPECIAL APPOINTMENTS. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

SECTION 5. RESIGNATION AND REMOVAL. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. VACANCIES. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer who is replaced.

SECTION 7. MULTIPLE OFFICES. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

SECTION 8. DUTIES. The duties of the officers are as follows:

PRESIDENT: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE PRESIDENT: The Vice President shall act in the places and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER: The Treasurer shall receive and deposit in appropriate bank accounts all funds of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee or Design Review Committee, as provided in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books and records of the Association shall, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association regular and special assessments. Such assessments may be secured by a lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the highest rate permitted by law, or if no limitation is imposed by law, at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE XII

AMENDMENTS

These Bylaws may be amended during the Development Period by the Developer, or after termination of the Development Period at a regular or special meeting of the Members by a vote of a majority of all Members at any regular or special meeting of the members duly called for that

purpose, or by a vote of a majority of the Board present at a meeting of the Board duly called for that purpose.

ARTICLE XIII

MISCELLANEOUS

SECTION 1. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control.

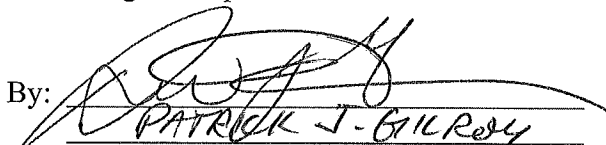
SECTION 2. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

SECTION 3. The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, the Declarant, acting pursuant to its authority to act on behalf of the VERCELLO HOME OWNERS ASSOCIATION, has hereunto set its hand this 25th day of August, 2010.

DECLARANT:

WEDGEWOOD AT RENTON, INC.,
a Washington corporation

By: 
Its: PATRICK J. GILROY
PRESIDENT