

**BYLAWS
OF
STONE MEADOWS HOMEOWNERS' ASSOCIATION**

CONTENTS

ARTICLE I Offices

- 1.1 Registered Office and Registered Agent
- 1.2 Other Offices

ARTICLE II Members

ARTICLE III Members' Meetings

- 3.1 Meeting Place
- 3.2 Annual Meeting Time
- 3.3 Annual Meeting-Order of Business
- 3.4 Special Meetings
- 3.5 Notice
- 3.6 Waiver of Notice
- 3.7 Voting
- 3.8 Quorum

ARTICLE IV Board of Directors

- 4.1 Number and Powers
- 4.2 Change of Number
- 4.3 Vacancies
- 4.4 Regular Meetings
- 4.5 Special Meetings
- 4.6 Notice
- 4.7 Quorum
- 4.8 Waiver of Notice
- 4.9 Registering Dissent
- 4.10 Executive and Other Committees
- 4.11 Remuneration
- 4.12 Loans
- 4.13 Removal
- 4.14 Action by Directors without a Meeting

ARTICLE V Officers

- 5.1 Designations
- 5.2 The President
- 5.3 Vice Presidents
- 5.4 Secretary and Assistant Secretaries
- 5.5 The Treasurer

- 5.6 Executive Director
- 5.7 Delegation
- 5.8 Vacancies
- 5.9 Other Officers
- 5.10 Loans
- 5.11 Term--Removal
- 5.12 Bonds

ARTICLE VI Depositories

ARTICLE VII Notices

ARTICLE VIII Seal

ARTICLE IX Indemnification of Officers, Directors, Employees, and Agents

ARTICLE X Books and Records

ARTICLE XI Amendments

ARTICLE I

Offices

1.1 *Registered Office and Registered Agent.* The registered office of the corporation shall be located in the State of Washington at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law. The registered agent shall have a business office identical with such registered office.

1.2 *Other Offices.* The corporation may have other offices within or outside the State of Washington at such place or places as the Board of Directors may from time to time determine.

ARTICLE II

Membership & Voting Rights

The corporation shall have two (2) classes of members which shall be owners of lots in the Stoney Meadows subdivision as set forth in Article 3 of the Declaration of Covenants, Conditions and Restrictions and Establishment of the Homeowners' Association for the Plat of Stoney Meadows, a copy which is attached hereto as Exhibit "A" and by this reference made a part hereof. Each member of each class shall be entitled to vote on all matters submitted to a vote of the corporation's members as set forth in Article B of the Declaration of Covenants, Conditions and Restrictions and Establishment of the Homeowner's Association of the plat of Stoney Meadows which was recorded in Book H of Plats, Page 454, Clark County Auditor's File No. 8905310191.

ARTICLE III

Members' Meetings

3.1 *Meeting Place.* All meetings of the members shall be held at the registered office of the corporation, or at such other place as shall be determined from time to time by the Board of Directors, and the place at which any such meeting shall be held shall be stated in the notice of the meeting.

3.2 *Annual Meeting Time.* The annual meeting of the members for the transaction of such business as may properly come before the meeting, shall be held on the first Wednesday of December of each year beginning in 1995,

at the hour of 7:30 p.m. if not a legal holiday, but if such day is a legal holiday then on the next business day, at the same hour.

3.3 Annual Meeting--Order of Business. At the annual meeting of members, the order of business shall be as follows:

- (a) Calling the meeting to order
- (b) Proof of notice of meeting (or filing of waiver)
- (c) Reading of minutes of last annual meeting
- (d) Reports of officers
- (e) Reports of committees
- (f) Miscellaneous business

3.4 Special Meetings. Special meetings of the members for any purpose may be called at any time by the President or Board of Directors. A meeting of the Association may also be called upon thirty (30) days written notice signed by members signed by representing ten percent (10%) of all lots in the Stoney Meadows subdivision.

3.5 Notice.

(a) Notice of the time and place of the annual meeting of members and of regular meetings other than the annual meeting shall be given by delivering personally or by mailing a written or printed notice of the same, at least thirty (30) days, and not more than fifty (50) days, prior to the meeting.

(b) At least thirty (30) days and not more than fifty (50) days prior to the meeting, written or printed notice of each special meeting of members, stating the place, day, and hour of such meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally, or mailed.

3.6 Waiver of Notice. A waiver of any notice required to be given any member, signed by the person or persons entitled to such notice, whether before or after the time stated therein for the meeting, shall be equivalent to the giving of such notice.

3.7 Voting. A member may vote in person or by proxy executed in

writing by such member or such member's duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date it is executed, unless otherwise provided in the proxy. A member may vote for the election of directors by mail or by any other method permitted by this Section 3.7.

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3.8 *Quorum*. A majority of the members entitled to vote represented ~~at a meeting~~ in person or by proxy (or in the case of election of directors not present but voting by mail) shall be necessary and sufficient to constitute a quorum for the transaction of business.

ARTICLE IV

Board of Directors

4.1 *Number and Powers*. The management of all the affairs, property, and interests of the corporation shall be vested in a Board of Directors consisting of five (5) persons. Directors must be members. The Board of Directors elected at the initial annual meeting of members shall be divided into three classes (Class A, Class B, and Class C) each consisting, as nearly as possible, of one-third (1/3) of the total number of directors elected at that time. The term of office of Class A directors shall expire at the next annual meeting following the annual meeting at which they are elected. The term of office of the Class B directors shall expire at the next annual meeting thereafter. The term of office of the Class C directors shall expire at the third annual meeting following the annual meeting at which they are elected. At each annual meeting after the initial annual meeting, directors shall be elected for a term of three years to succeed the directors whose terms expire at such meeting. In addition to the powers and authorities expressly conferred upon it by these Bylaws and Articles of Incorporation, the Board of Directors may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the members of the corporation.

4.2 *Change of Number*. The number of directors may at any time be increased or decreased by amendment of these Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director.

4.3 *Vacancies*. All vacancies in the Board of Directors, whether caused by resignation, death or otherwise, may be filled by the affirmative vote of a majority of the remaining directors even though less than a quorum of the Board of Directors. A director elected to fill any vacancy shall hold office for the unexpired term of his or her predecessor and until a successor is

elected and qualified.

4.4 Regular Meetings. Regular meetings of the Board of Directors may be held at the registered office of the corporation or at such other place or places, either within or without the State of Washington, as the Board of Directors may from time to time designate. The annual meeting of the Board of Directors shall be held without notice at the registered office of the corporation, at 7:30 p.m., on first Wednesday of each year, or at such other time and place as the Board of Directors shall designate by written notice. In addition to the annual meeting, there shall be regular meetings of the Board of Directors held, with proper notice, not less frequently than once each calendar quarter.

4.5 Special Meetings. Special meetings of the Board of Directors may be called at any time by the President or upon written request by any two directors. Such meetings shall be held at the registered office of the corporation or at such other place or places as the directors may from time to time designate.

4.6 Notice. Notice of all special meetings of the Board of Directors (and of all regular meetings other than the annual meetings to be held at the place and time designated in Section 4.4) shall be given to each director by three (3) days' prior service of the same by telegram, by letter, or personally. Such notice need not specify the business to be transacted at, nor the purpose of, the meeting.

4.7 Quorum. A majority of the whole Board of Directors shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business.

4.8 Waiver of Notice. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. A waiver of notice signed by the director or directors, whether before or after the time stated for the meeting, shall be equivalent to the giving of notice.

4.9 Registering Dissent. A director who is present at a meeting of the Board of Directors at which action on a corporate matter is taken shall be presumed to have assented to such action unless the director shall file a written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent or

abstain shall not apply to a director who voted in favor of such action.

4.10 *Executive and Other Committees.* The Board of Directors may appoint, from time to time, ~~from its own number~~, standing or temporary committees, including but not limited to the Architectural Control Committee, consisting each of no fewer than one (1) director. Such committees may be vested with such powers as the Board may determine by resolution passed by a majority of the full Board of Directors. No such committee shall have the authority of the Board of Directors in reference to amending, altering, or repealing these Bylaws; electing, appointing, or removing any member of any such committee or any director or officer of the corporation; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, or exchange of all or substantially all of the property and assets of the corporation other than in the ordinary course of business; authorizing the voluntary dissolution of the corporation or adopting a plan for the distribution of the assets of the corporation; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. All committees so appointed shall keep regular minutes of the transactions of their meetings and shall cause them to be recorded in books kept for that purpose in the office of the corporation. The designation of any such committee and the delegation of authority thereto, shall not relieve the Board of Directors, or any member thereof, of any responsibility imposed by law. Any committee member can be removed by the Board of Directors.

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Penny
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R. W. Wilson
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Sheldon Co.
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E.P.P. 3/22
B. B. B. 3/22/95

4.11 *Remuneration.* No stated salary shall be paid directors, as such, for their service, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of such Board; provided, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

4.12 *Loans.* No loans shall be made by the corporation to any director.

4.13 *Removal.* Any director may be removed at any time, with or without cause, by the affirmative vote of two-thirds (2/3) of the votes cast by members having voting rights with regard to the election of any director represented in person or by proxy at a meeting of members at which a quorum is present.

4.14 Action by Directors without a Meeting. Any action required or permitted to be taken at a meeting of the directors, or of a committee thereof, may be taken without a meeting by a written consent setting forth the action so to be taken, signed by all of the directors, or all of the members of the committee, as the case may be, before such action is taken. Such consent shall have the same effect as a unanimous vote. Any such action may also be ratified after it has been taken, either at a meeting of the directors or by unanimous written consent.

ARTICLE V

Officers

5.1 Designations. The officers of the corporation shall be a President, one or more Vice Presidents (one or more of whom may be Executive Vice Presidents), a Secretary and a Treasurer, and such Assistant Secretaries and Assistant Treasurers as the Board may designate. All officers shall be elected for terms of one year by the Board of Directors. Such officers shall hold office until their successors are elected and qualify. Any two or more offices may be held by the same person, except the offices of President and Secretary.

5.2 The President. The President shall preside at all meetings of the Board of Directors, shall have general supervision of the affairs of the corporation, and shall perform such other duties as are incident to the office or are properly required of the President by the Board of Directors.

5.3 Vice Presidents. During the absence or disability of the President, the Executive Vice Presidents, if any, or any of the Vice Presidents in the order designated by the Board of Directors, shall exercise all the functions of the President. Each Vice President shall have such powers and discharge such duties as may be assigned to him or her from time to time by the Board of Directors.

5.4 Secretary and Assistant Secretaries. The Secretary shall issue notices for all meetings, except for notices of special meetings of the members and the Board of Directors which are called by the requisite number of directors, shall keep minutes of all meetings, shall have charge of the seal and the corporate books, and shall make such reports and perform such other duties as are incident to the office, or are properly required of the Secretary by the Board of Directors. The Assistant Secretary, or Assistant Secretaries, in the order designated by the Board of Directors, shall perform all of the duties of the Secretary, and at other times may perform such duties as are directed by the President or the Board of Directors.

5.5 *The Treasurer.* The Treasurer shall have the custody of all monies and securities of the corporation and shall keep regular books of account. The Treasurer shall disburse the funds of the corporation in payment of the just demands against the corporation or as may be ordered by the Board of Directors (taking proper vouchers for such disbursements) and shall render to the Board of Directors from time to time as may be required, an account of all transactions undertaken as Treasurer and of the financial condition of the corporation. The Treasurer shall perform such other duties as are incident to the office or are properly required by the Board of Directors. The Assistant Treasurer, or Assistant Treasurers, in the order designated by the Board of Directors, shall perform all of the duties of the Treasurer in the absence or disability of the Treasurer, and at other times may perform such other duties as are directed by the President or the Board of Directors.

5.6 *Executive Director.* The Board may select an Executive Director who shall be responsible for the administration and conduct of the business and affairs of the corporation pursuant to guidelines established by the Board. The Executive Director shall have full authority for direction of the employees of the corporation, if any. The Executive Director, if selected, may be compensated for his or her services in that capacity in such amount and manner as the Board of Directors shall determine.

5.7 *Delegation.* If any officer of the corporation is absent or unable to act and no other person is authorized to act in such officer's place by the provisions of these Bylaws, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer or any director or any other person it may select.

5.8 *Vacancies.* Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting of the Board.

5.9 *Other Officers.* The Board of Directors may appoint such other officers or agents as it shall deem necessary or expedient, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

5.10 *Loans.* No loan shall be made by the corporation to any officer.

5.11 *Term-Removal.* The officers of the corporation shall hold office until their successors are chosen and qualified. Any officer or agent elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board

of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

5.12 *Bonds*. The Board of Directors may, by resolution, require any and all of the officers to provide bonds to the corporation, with surety or sureties acceptable to the Board, conditioned for the faithful performance of the duties of their respective offices, and to comply with such other conditions as may from time to time be required by the Board of Directors.

ARTICLE VI

Depositories

The monies of the corporation shall be deposited in the name of the corporation in such bank or banks or trust company or trust companies as the Board of Directors shall designate, and shall be drawn from such accounts only by check or other order for payment of money signed by such persons, and in such manner, as may be determined by resolution of the Board of Directors.

ARTICLE VII

Notices

Except as may otherwise be required by law, any notice to any member or director may be delivered personally or by mail. If mailed, the notice shall be deemed to have been delivered when deposited in the United States mail, addressed to the addressee at his or her last known address in the records of the corporation, postage prepaid.

ARTICLE VIII

Seal

The corporate seal of the corporation, if any, shall be in such form and bear such inscription as may be adopted by resolution of the Board of Directors, or by usage of the officers on behalf of the corporation.

ARTICLE IX

Indemnification of Officers, Directors, Employees, and Agents

The corporation shall indemnify its officers, directors, employees, and agents to the greatest extent permitted by law. The corporation shall have

power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation or who is or was serving at the request of the corporation as an officer, employee, or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan, against any liability asserted against such person and incurred by such person in any such capacity or arising out of any status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Article.

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Rita M. Williams 3/22/95
Steve M. Coble 3/22/95
ARTICLE X
3/28/95

Books and Records

The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors; and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its directors, giving the names and addresses of all directors.

ARTICLE XI

Amendments

The Board of Directors shall have power to make, alter, amend, and repeal the Bylaws of this corporation; provided, that the Board will not approve any such alteration, amendment, or repeal that would adversely impact the rights of any class of members unless such alteration, amendment, or repeal shall first have received the approval of two-thirds (2/3) of the members of such class.

ARTICLE XII

Incorporation of Declaration of Covenants, Conditions and Restrictions

These Bylaws are subject to the Declaration of Covenants, Conditions and Restrictions and Establishment of the Homeowner's Association of the plat of Stoney Meadows which was recorded in Book H of Plats, Page 454, Clark County Auditor's File No. 8905310191. To the extent that these Bylaws conflict with the Covenants, the terms and conditions of the Covenants shall control.

Adopted by resolution of the corporation's Board of Directors on

March 22nd 28, 1995

David Runny
Secretary