

BY-LAWS
OF
STONE BROOK

ARTICLE I

Applicability; Definitions; Location

Section 1. Applicability. These By-Laws are adopted for the administration of the Association and property described in that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") recorded on February 22, 1988 under King County Auditor's Fee No. 8802220692, and Amendment thereto recorded on April 5, 1989, under King County Auditor's Number 8904050158, together with such other property as may, from time to time, be made subject to said Declaration.

Section 2. Definitions. The terms used in these By-Laws shall have the same meaning as in the Declaration, unless otherwise indicated.

Section 3. Location. The initial office of the Association shall be located at 4224 Waller Road, Tacoma, Washington 98443.

ARTICLE II

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 annual meeting of the members shall be held on the first (1st) day of December of each year thereafter, at the hour of 8:00 o'clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

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 one-fourth (1/4) of all of the votes of the Class "A" membership.

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 mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote. The notice shall be addressed to the member's address as shown on the books of the Association, or supplied by such

member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members or proxies entitled to cast one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as set forth above 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.

ARTICLE III

Board of Directors; Selection; Term of Office

Section 1. Number. The affairs of the Association shall be managed by a Board of three (3) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect one (1) director for a term of three (3) years, one (1) director for a term of two (2) years, and one (1) director for a term of one (1) year. Thereafter, at each annual meeting the members shall elect one (1) director for a term of three (3) 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 the death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his 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 actual expenses incurred in the performance of his duties.

Section 5. 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.

ARTICLE IV

Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations also may be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee 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 nonmembers.

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 V

Meeting of Directors

Section 1. Regular Meetings. The Board of Directors shall hold regular meetings as often as the Board deems necessary to fulfill its duties and obligations. Such regular meetings shall be held at such place and hour as may be fixed from time to time by resolution of the Board. The Board shall hold an annual meeting at 8:00 o'clock p.m. on the day following the annual meeting of the members. All members shall receive notice of the annual Directors' meeting in the manner set forth in Article II above.

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 (2) 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 shall be regarded as the act of the Board.

ARTICLE VI

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 properties and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

(b) Suspend the voting rights and right to use of the common area recreational facilities of a member during any period in which such member shall be in default in the payment 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 for 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 By-Laws, the Articles of Incorporation, or the Delegation.

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent without excuse from three (3) consecutive regular meetings of the Board of Directors.

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

Section 2. Duties. It shall be the 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 one-fourth (1/4) of the Class "A" members who are entitled to vote.

(b) Supervise all officers, agents and employees of this Association, and see that their duties are performed properly.

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

(1) fix the amount of the annual assessment against each lot at least fifteen (15) days in advance of each calendar

(2) Send written notice of each assessment to every owner subject thereto at least ten (10) days in advance of each calendar year.

(3) Foreclose the lien against any lot for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or 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.

(g) Cause the common area to be maintained.

ARTICLE VII

Officers and Their Duties

Section 1. Enumeration of Offices. The officers of the 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 annual meeting of the Board of Directors.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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 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, except that the Vice President shall automatically fill a vacancy in the office of the President for the remainder of the President's term. The officer appointed to such a vacancy shall serve for the remainder of the term of the officer he replaces.

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 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:

(a) President. The president shall preside at all meetings of the Board of Directors, shall see that all 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

(b) Vice-President. The vice-president shall act in the place 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.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of all the members, keep the corporate seal of the Association and affix it on all papers requiring said seal, serve notice of meetings of the Board and of the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies 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, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year, 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. The treasurer shall include in the annual report a list of those owners who are delinquent in the payment of assessments.

ARTICLE VII

Committees

The Declarant and the Board shall, as set forth in the Declaration, appoint an Architectural Control Committee, and the Board shall appoint a Nominating Committee, as provided in the By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IX

Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-Laws 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 X

Assessments

As more fully provided in the Declaration, each member is obligated to pay the Association annual and special assessments which are secured by a continuing 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 rate of Twelve (12%) Percent 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 assessments provided for herein by nonuse of the common area or abandonment of his lot.

ARTICLE XI

Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: Stone Brook Home Owner's Association

ARTICLE XII

Amendments

Section 1. These By-Laws may be amended at a regular or special meeting of the members by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class "B" membership.

Section 2. In case of any conflict between the Articles of Incorporation and these By-Laws, the Declaration shall control.

ARTICLE XIII

Miscellaneous

The fiscal year of the Association shall coincide with the calendar year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of Stone Brook Home Owner's Association, have hereunto set our hands this 14 day of APRIL, 1989.

[Handwritten signature]

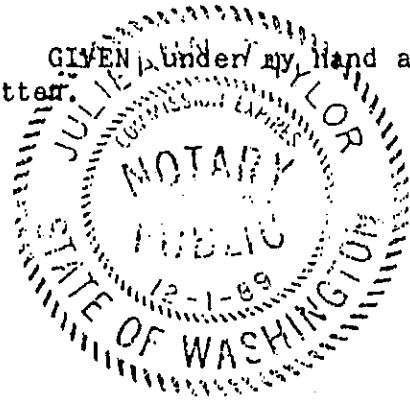
Michael A. Tucci

David W. Morrison

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

On this 14th day of April, 1989, personally appeared before me John V. Xitoo, Michael A. Tucci and David Morrison to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year first above written.



Julie Taylor
NOTARY PUBLIC in and for the State of Washington, Residing at Puyallup.
My Commission Expires 12-1-89

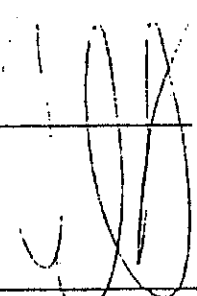
CONSENT TO SERVE AS REGISTERED AGENT

I, John V. Xitco, hereby consent to serve as Registered Agent in the State of Washington for the following corporation:

Stone Brook Home Owner's Association

I understand that, as agent for the corporation, it will be my responsibility to receive service of process in the name of the corporation, to forward all mail to the corporation, and to immediately notify the office of the Secretary of State in the event of my resignation, or of any change in the registered office address of the corporation.

DATED this 14 day of April, 1989.



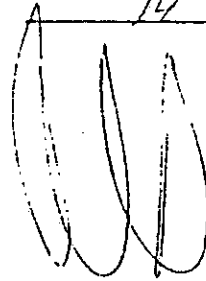
JOHN V. XITCO
4224 Waller Road
Tacoma, Washington 98443

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Stone Brook Home Owner's Association, a Washington corporation, and that the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meetin of the Board of Directors thereof, held on the 14 day of APRIL, 1957.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 14 day of April, 1957.



Secretary of Stone Brook Home
Owner's Association