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1 capacity as a corporate officer and on Ingersoll and Freed's claim that Mrs. Stutzman "aided"  
2 discrimination.

### 3 4 INTRODUCTION

5 Washington law provides broad protection for corporate officers in their personal capacity,  
6 honoring the corporate form and prohibiting suits against them absent such exceptional  
7 circumstances as when the officer knowingly engaged in fraud, misrepresentation, or theft.  
8 Plaintiffs do not allege that Barronelle Stutzman engaged in anything of the sort. Thus, this  
9 Court should dismiss Plaintiffs' claims alleging that Mrs. Stutzman is personally liable as a  
10 corporate officer of Arlene's Flowers.

11 Ingersoll and Freed's claim that Mrs. Stutzman "aided" discrimination should likewise fail.  
12 Plaintiffs making an aiding-discrimination claim must show that the defendant involved a third  
13 party in discrimination. Here, Plaintiffs claim that Mrs. Stutzman's single act of politely  
14 declining to create floral arrangements for Plaintiffs' wedding ceremony was (1) unlawful  
15 discrimination by Arlene's Flowers corporately; (2) unlawful discrimination by Mrs. Stutzman  
16 personally, and (3) the unlawful aiding of discrimination by Mrs. Stutzman personally. But  
17 Plaintiffs cannot proverbially "have their cake and eat it too." Washington law does not support  
18 expanding liability for a single act to multiple legal claims and defendants in this manner.  
19 Accordingly, the Court should grant summary judgment in Defendant Barronelle Stutzman's  
20 favor on Plaintiffs' personal capacity and aiding-discrimination claims.  
21  
22

### 23 FACTUAL BACKGROUND

24 Barronelle Stutzman bought Arlene's Flowers from her Mom, Dotty Ryan, nearly 13 years  
25

1 ago. Stutzman Dep., at 16. The business was originally incorporated by Dotty in 1989. *Id.* at 15.  
2 After working for her mother for years, Barronelle bought the business with her husband  
3 because Dotty was too ill with Alzheimer's disease to maintain it. *Id.* The corporation is closely  
4 held, with Barronelle and her husband as the sole officers. The Stutzmans have faithfully  
5 maintained Arlene's Flowers' incorporated status ever since they bought the business, and have  
6 fully complied with state law in doing so. Stutzman declaration, ¶¶ 3-6 (Articles of  
7 Incorporation, Bylaws, and Corporate minutes).  
8

9 As the Court is aware, when Robert Ingersoll came into the store to ask Barronelle to design  
10 the floral arrangements for his wedding ceremony, she politely told him that she could not do it  
11 "because of [her] relationship with Jesus Christ." As she explains, Barronelle believes that  
12 "biblically marriage is between a man and a woman." After prayer and thoughtful consideration,  
13 Barronelle concluded that her religious beliefs prohibit her from participating in a same-sex  
14 union by using her artistic talents to create floral arrangements for the ceremony. Stutzman Dep.,  
15 at 44; Stutzman Dep., at 78; Stutzman Dep., at 106; Stutzman Decl., ¶¶ 14-16.  
16

17 Barronelle politely and respectfully told Robert that she could not create the floral  
18 arrangements for his wedding because of her faith and then the two chitchatted for a while. She  
19 gave Robert recommendations for other florists, they hugged, and Mr. Ingersoll left the store.  
20 Stutzman Dep., at 82; *Id.* at 103.  
21

22 Upon learning about these events from the news media, the Attorney General filed this case  
23 against Arlene's Flowers corporately and Barronelle Stutzman personally, claiming that she  
24 violated the Consumer Protection Act by allegedly discriminating on the basis of sexual  
25

1 orientation in violation of the Washington Law Against Discrimination. State Cmplt., ¶ 5.7.  
2 Plaintiffs Ingersoll and Freed later filed suit as well, claiming that Arlene's Flowers and  
3 Barronelle Stutzman violated the Washington Law Against Discrimination and the Consumer  
4 Protection Act for the same reason. Ingersoll & Freed Cmplt., ¶¶ 19-26; 29-30. Plaintiffs Freed  
5 and Ingersoll also tacked on a claim that Barronelle Stutzman "aided" Arlene's Flowers in  
6 discriminating against them, based on the same act of declining to create floral arrangements for  
7 their wedding. *Id.* at ¶¶ 27-28. None of the Plaintiffs have alleged that Barronelle engaged in  
8 business malpractices, such as fraud, deception, or theft.  
9

10 It never occurred to Barronelle that someone might consider her decision not to create floral  
11 arrangements for Robert Ingersoll's wedding as illegal. Stutzman Decl., ¶ 15. Barronelle has  
12 gladly served gay and lesbian customers for many years, expressing the same warm demeanor  
13 and artistic passion to them as she did all other clients. Mr. Ingersoll and Mr. Freed were no  
14 exception. Indeed, they were longstanding customers of Arlene's Flowers and Barronelle had  
15 served them for nearly nine years, knowing full well that they were gay. But she could not  
16 participate in a same-sex ceremony as a matter of conscience because of her deeply held,  
17 biblical belief that marriage is a union between one man and one woman. Stutzman Dep., at 80.  
18  
19

## 20 STANDARD OF REVIEW

21 Civil Rule provides that "[a] party against whom a claim, counterclaim, or cross claim is  
22 asserted ... may move with or without supporting affidavits for a summary judgment in his  
23 favor as to all or any part thereof." Summary judgment is appropriate when no genuine issue of  
24 material fact remains and the moving party is entitled to judgment as a matter of law. *Parks v.*  
25

1 *Fink*, 173 Wn. App. 366, 374 (2013). A plaintiff's failure to demonstrate "the existence of an  
2 element essential to that party's case, and on which that party will bear the burden of proof at  
3 trial" results in a grant of summary judgment in the defendant's favor. *Burton v. Twin*  
4 *Commander Aircraft LLC*, 171 Wn.2d 204, 223 (2011) (en banc) (quotation omitted).

## 6 ARGUMENT

### 7 I. Washington Law Protects Corporate Officers From Personal Liability Unless They 8 Knowingly Commits Fraud, Deception, or Theft.

9 The corporate form protects individuals from liability in their personal capacity except  
10 under exceptional circumstances, none of which apply here. "When the shareholders of a  
11 corporation, who are also the corporation's officers and directors, conscientiously keep the  
12 affairs of the corporation separate from their personal affairs, and no fraud or manifest injustice  
13 is perpetrated upon third-persons who deal with the corporation, the corporation's separate  
14 entity should be respected." *Grayson v. Nordic Constr. Co.*, 92 Wn.2d 548, 552-53 (1979).

15 Indeed, Washington courts rarely disregard the corporate form or pierce the corporate veil  
16 and will only consider doing so in the most egregious of circumstances.

17  
18 The doctrine of disregarding the corporate entity or piercing the corporate veil is an  
19 equitable remedy imposed to rectify an abuse of the corporate privilege. Typically  
20 the corporation is considered an entity separate and distinct from its officers or  
21 stockholders even where they are only one in number. In exceptional circumstances,  
22 however, the corporate entity will be disregarded where its recognition would aid in  
23 perpetrating a fraud or result in a manifest injustice. . . . *Typically, the injustice*  
*which dictates piercing of the corporate veil is one involving fraud,*  
*misrepresentation, or some form of manipulation of the corporation to the*  
*stockholder's benefit and creditor's detriment."*

24 *Truckweld Equip. Co., Inc. v. Olson*, 26 Wn.2d 638, 644-45 (1980) (citing 1 W. Fletcher,  
25 *Cyclopedia of the Law of Private Corporations* § 41 (rev. ed. 1974)) (emphasis added); *see also*

1 *Block v. Olympic Health Spa, Inc.*, 24 Wn. App. 938, 945 (1979) (“The existence of the  
2 corporation separate and apart from its stockholders, officers and directors will be respected in  
3 the absence of exceptional situations where, in order to prevent fraud or manifest injustice, the  
4 corporate veil will be pushed aside”).

5  
6 Courts thus limit the personal liability of corporate officers to situations involving fraud,  
7 deception, or theft. For example, in *Johnson v. Harrigan-Peach Land Development Company*,  
8 79 Wn.2d 745 (1971), a land developer fraudulently induced people to buy land for a  
9 development by promising that it would have detailed and lavish amenities. The court  
10 specifically found the developer never intended to actually fulfill these promises. The Supreme  
11 Court held that the link to holding corporate officeholders “liable along with the corporation for  
12 plaintiffs’ damages is . . . that representations, warranties and inducements oral and written were  
13 made to the plaintiffs with knowledge they were false and with knowledge that plaintiff  
14 purchasers would and did rely on them . . . . Liability here, therefore, arises from *tortious*  
15 *misrepresentation and fraud*, practices by the defendants individually, corporately and through  
16 agents for the benefit of the tort-feasors . . . .” *Id.* at 752 (emphasis added).

17  
18 Other cases have drawn the same line. *See, e.g., Grayson*, 92 Wn.2d at 554 (corporate  
19 officer held personally liable under Consumer Protection Act because he knowingly sent false  
20 and deceptive advertising to customers); *Ralph Williams’ N.W. Chrysler Plymouth*, 87 Wn.2d  
21 298 (1976) (corporate officers of a car dealership liable under CPA for engaging in a bait and  
22 switch scheme and knowingly sending false and deceptive advertising to customers); *Dodson v.*  
23

1 *Econ. Equip. Co.*, 188 Wn. 340 (1936) (corporate officer liable for theft of customer's  
2 equipment).

3  
4 Plaintiffs argue that Barronelle Stutzman and Arlene's Flowers violated the Washington  
5 Law Against Discrimination's prohibition of sexual orientation. But there is no evidence, or  
6 even an allegation, that Mrs. Stutzman's decision to decline to create the floral arrangements for  
7 a same-sex wedding ceremony because of her religious beliefs involved any kind of fraud,  
8 deception, or theft. To the contrary, Mrs. Stutzman was straightforward and honest with Mr.  
9 Ingersoll about her decision to decline his commission and her rationale for so doing. No "abuse  
10 of the corporate form" is therefore possible. *Meisel v. M&N Modern Hydraulic Press Co.*, 97  
11 Wn.2d 403, 410 (1982). Plaintiffs' inability to make this showing is alone sufficient to preclude  
12 this Court from disregarding Arlene's Flowers corporate status and holding Mrs. Stutzman  
13 personally liable as a corporate officer. *See id.* at 410 (requiring "'fraud, misrepresentation, or  
14 some form of manipulation of the corporation'" to disregard the corporate form (quoting  
15 *Truckweld Equip.*, 26 Wash. App. at 645)).  
16

17 In addition, even if Plaintiffs could demonstrate an objective misrepresentation or misuse of  
18 the corporate form, there is still no evidence to suggest that Mrs. Stutzman *knowingly* violated  
19 the law. *See id.* ("Intentional misconduct must be the cause of the harm that is avoided by  
20 [corporate] disregard."). The Supreme Court recently addressed this very issue and reaffirmed  
21 that the cases in which it had "found officers personally liable for the torts of corporations  
22 involved [those] who either *knowingly* committed wrongful acts or directed others to do so  
23 *knowing the wrongful nature* of the requested acts." *Annechino v. Worthy*, 175 Wn.2d 630, 637  
24  
25

1 (2012); *see also id.* at 637-38 (refusing to find a bank officer personally liable because the  
2 plaintiffs had not established either that he committed intentional misconduct or that he  
3 intentionally directed others to commit misconduct).  
4

5 Here, Mrs. Stutzman had no knowledge that her decision to decline to design and create  
6 floral arrangements for a same-sex ceremony could be considered illegal discrimination. After  
7 all, she gladly served Mr. Ingersoll and Mr. Freed for nine years, without hesitation and without  
8 regard to their sexual orientation. She knew that they were gay, and that did not matter. She  
9 treated them just as warmly and used her talent and expertise to meet their floral needs just as  
10 passionately as she did all other customers. Barronelle's religious faith, quite simply, prevented  
11 her from participating in a ceremony that violated her deeply held, biblical belief that marriage  
12 is a union between one man and one woman. She objected to designing and creating flowers for  
13 *the event*; not to the sexual orientation of the participants. No one can seriously contend  
14 Barronelle has a problem designing floral arrangements for gay and lesbian patrons; she has  
15 done so for years and it is undisputed that she knew that Mr. Ingersoll and Mr. Freed are gay.  
16 Moreover, Mrs. Stutzman would also have declined to design and create floral arrangements for  
17 a polygamous or polyandrous wedding ceremony involving members of the opposite sex.  
18  
19

20 Defendant is not suggesting that this Court needs to determine at this juncture whether Mrs.  
21 Stutzman's actions constituted sexual orientation discrimination. The point is that, regardless of  
22 what the Court ultimately decides on that issue, Washington law broadly protects corporate  
23 officers. Even if Plaintiffs could find a viable legal theory to impose liability for sexual  
24 orientation discrimination here, there is absolutely no evidence to suggest that Mrs. Stutzman  
25



1 *knowingly* engaged in such discrimination. Stutzman Declaration; Stutzman Deposition, at 91.  
2 Indeed, same-sex marriage became legal just last year. This is a case of first impression in  
3 Washington and the Attorney General's unprecedented act of filing suit to establish a violation  
4 of the Washington Law Against Discrimination in the first instance, in order to make an  
5 example of Mrs. Stutzman, only underscores the fact that Barronelle had no prior reason to  
6 believe that her actions constituted illegal discrimination.  
7

8 In sum, this case is nothing like those in which State courts have disregarded the corporate  
9 form and allowed plaintiffs to hold corporate officers personally liable. Arlene's Flowers has  
10 operated as a Washington corporation for nearly 30 years and the courts of this State have  
11 consistently protected corporate officers from personal liability for their official acts in all but  
12 the most egregious of circumstances. It would not only contravene precedent, but also be  
13 patently unfair to hold Mrs. Stutzman personally liable in this case, which involves novel issues  
14 of law, when there is absolutely no evidence that she engaged in fraud, deception, or theft or  
15 intentionally discriminated against anyone. Doing so would wrongly undermine the strong  
16 public policy reasons for honoring corporation's separate legal status, which the courts of this  
17 State have long upheld. *See Meisel*, 97 Wn.2d at 411 (recognizing that the very "purpose of a  
18 corporation is to limit liability."). This Court should accordingly grant summary judgment in  
19 Defendant Barronelle Stutzman's favor on Plaintiffs' claims against her in her personal capacity  
20 as a corporate officer of Arlene's Flowers and dismiss those claims.  
21  
22  
23  
24  
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1 **II. A Plaintiff May Only Prevail On An Aiding-Discrimination Claim Where A Third**  
2 **Person Is Involved in the Alleged Legal Violation, A Fact Not Present Here.**

3 Plaintiffs Freed and Ingersoll (not the State) allege that one act—the conversation in which  
4 Mrs. Stutzman’s declined to use her artistic ability and expertise to design and create floral  
5 arrangements for Mr. Ingersoll’s wedding—is simultaneously an act of discrimination and an  
6 act of aiding discrimination. But it cannot be both.

7  
8 The aiding and abetting provision of the WLAD states in its entirety: “It is an unfair  
9 practice for any person to aid, abet, encourage, or incite the commission of any unfair practice,  
10 or to attempt to obstruct or prevent any other person from complying with the provision of this  
11 chapter or any order issued thereunder.” RCW § 49.60.220. The Court of Appeals has read the  
12 statute’s plain text to allow for “aiding and abetting” claims only when a third party is involved  
13 in facilitating the alleged discrimination. As the Court explained in *Jenkins v. Palmer*, 116  
14 Wash. App. 671 (Wash. Ct. App. 2003), RCW § 49.60.220’s “references to ‘aid, abet,  
15 encourage, or incite’ and to ‘prevent any other person from complying’ show that *the statute*  
16 *applies only where the actor is attempting to or has involved a third person in conduct that*  
17 *would violate the WLAD.” Jenkins*, 116 Wn. App. at 675-76 (emphasis added). No claim for  
18 aiding and abetting an unlawful practice is thus available when a defendant “act[s] alone.” *Id.*  
19 at 676; *cf. Rody v. Hollis*, 81 Wn.2d 88, 94-95 (1972) (discussing the potential application of the  
20 WLAD’s “aiding and abetting” provision to a couple, the Gerlas, after they purchased a home  
21 owned by their relatives, the Rodys, who were found to have recently discriminated against  
22 potential renters, the Hollises, based on their race).

1 The Court of Appeals' opinion in *Pannell v. Food Services of America*, 61 Wash. App. 418  
2 (1991), *as modified by* 815 P.2d 812 (1991), reinforces this point. In that case, the Court  
3 recognized that a WLAD "aiding and abetting" instruction was erroneously given in a case  
4 founded on an alleged unfair practice that resulted from a corporate officer's "direct actions."  
5 *Id.* at 439. Because there was no evidence of "any act *in addition to the actions of* [the  
6 corporate officer] that could be considered to be aiding and abetting discrimination," *id.*, the  
7 Court held that the WLAD's "aiding and abetting" provision was inapplicable and a trial court  
8 "instruction" on that subsection consequently "unnecessary," *id.* at 440.  
9

10 In this case, Mr. Ingersoll and Mr. Freed do not allege that Mrs. Stutzman's alleged  
11 violation of the WLAD involved a third party. They claim instead that her single act of  
12 declining to design and create floral arrangements for their ceremony not only constituted  
13 discrimination by Arlene's Flowers corporately, but also as discrimination *and* "aiding and  
14 abetting" discrimination by Barronelle Stutzman personally. But this is plainly an attempt to  
15 impute personal liability to Mrs. Stutzman without meeting the onerous requirements necessary  
16 for this Court to disregard Arleen's Flowers' corporate form.  
17

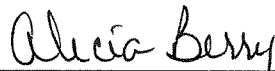
18 This case centers entirely on Mrs. Stutzman's "direct actions" and there is no evidence of  
19 "any act *in addition to* [her] *actions* [as a corporate officer] that could be considered to be  
20 aiding and abetting discrimination." *Pannell*, 61 Wn. App. at 439. Without the allegation of "a  
21 third person [involved] in conduct that would violate the WLAD," *Jenkins*, 116 Wn. App. at  
22 675, Mr. Ingersoll's and Mr. Freed's "aiding and abetting" claim necessarily fails as a matter of  
23 law. That is presumably why the State failed to raise this claim altogether. As a result, the  
24  
25

1 Court should grant summary judgment in Defendant Barronelle Stutzman's favor on Mr.  
2 Ingersoll's and Mr. Freed's claim of "aiding and abetting discrimination" and dismiss that claim.

3  
4 **CONCLUSION**

5 No evidence in this case supports the proposition that Mrs. Stutzman abused Arlene's  
6 Flowers corporate form by knowingly engaging in serious misconduct, such as fraud,  
7 misrepresentation, or theft. Plaintiffs are accordingly unable to make out their claims that this  
8 Court should hold Mrs. Stutzman personally liable for an alleged WLAD violation in her  
9 capacity as a corporate officer of Arlene's Flowers. Mr. Ingersoll's and Mr. Freed's allegation  
10 that Mrs. Stutzman "aided and abetted" discrimination also fails as a matter of law because it  
11 requires the presence of a third party who committed actions in addition to those by Mrs.  
12 Stutzman, which form the groundwork of the present case. There is no allegation of any such  
13 third-party action here. Accordingly, the Court should grant summary judgment in Mrs.  
14 Stutzman's favor on these claims and exclude them from all future stages of this case.  
15

16 DATED this 25th day of October, 2013.

17 

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SUPERIOR COURT OF WASHINGTON  
COUNTY OF BENTON

STATE OF WASHINGTON,

Plaintiffs,

v.

ARLENE'S FLOWERS, INC., d/b/a  
ARLENE'S FLOWERS AND GIFTS, and  
BARRONELLE STUTZMAN,

Defendants.

ROBERT INGERSOLL and CURT FREED,

Plaintiffs,

v.

ARLENE'S FLOWERS, INC., d/b/a  
ARLENE'S FLOWERS AND GIFTS; and  
BARRONELLE STUTZMAN,

Defendants.

No. 13-2-00871-5

(Consolidated with 13-2-00953-3)

DECLARATION OF BARRONELLE  
STUTZMAN IN SUPPORT OF MOTION  
FOR PARTIAL SUMMARY JUDGMENT  
ON PERSONAL CAPACITY CLAIMS

1. My name is Barronelle Stutzman, and I am one of the named Defendants in this case. I am also the President of Arlene's Flowers, Inc. (DBA Arlene's Flowers and Gifts), the other named Defendant in this case.

STUTZMAN DECLARATION RE PSJ  
PAGE 1 OF 3

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1  
2 2. I am over the age of eighteen, competent to testify, and have personal  
3 knowledge of the information contained within this affidavit.

4 3. My mother, Dorothy ("Dotty") Ryan, incorporated Arlene's Flowers, Inc., in  
5 1989. Attached as Exhibit A is a true and correct copy of the Certificate of Incorporation.

6 4. I bought Arlene's Flowers, Inc., from my mother in 2000. Attached as Exhibit B  
7 is a true and correct copy of the stock purchase agreement.

8 5. Arlene's Flowers, Inc., is a closely held company. I am the president of Arlene's  
9 Flowers, Inc., and my husband, Darold Stutzman, is the Secretary and Treasurer. Attached as  
10 Exhibit C are the Bylaws of Arlene's Flowers, Inc, as well as the corporate minutes for the  
11 previous year.

12 6. We have always strived to comply with Washington law in maintaining our  
13 corporate status, and we have a corporate attorney who has assisted us in ensuring that we  
14 followed state requirements and best practices.

15 7. As I have previously testified, Robert Ingersoll has been one of my customers  
16 for approximately nine years, during which time I designed and created floral arrangements for  
17 him for many different occasions.

18 8. I have enjoyed a warm and friendly relationship with Robert, knowing that he  
19 identified as gay and was in a relationship with Curt Freed.

20 9. The fact that Robert identifies as gay and was in a same-sex relationship never  
21 lessened his dignity or worth in my eyes, or the respect I gave to him as a longtime customer  
22 and friend.

23 10. In March 2012, Robert came to my shop to see if I would design the flowers for  
24 his wedding to Curt.

25 11. I had designed and created flowers for Robert and Curt in the past, but I believe  
26 that doing the flowers for any same-sex wedding would give the impression that I endorsed  
same-sex marriage.

1           12.    My deeply held religious belief is that God defines marriage as a spiritual union  
2 between one man and one woman.

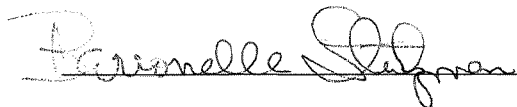
3           13.    As a matter of faith, I cannot go against God's definition of marriage or assist  
4 others in doing so.

5           14.    I believe that participation in same-sex ceremonies and using my artistic talent  
6 to design and create the floral arrangements that are an important component of weddings  
7 would go against God's definition of marriage.

8           15.    Agreeing to do flowers for any marriage ceremony not between one man and  
9 one woman would violate my conscience and my deeply held religious beliefs. When I told  
10 Robert that I could not do his flowers, I never imagined that the state could consider that sexual  
11 orientation discrimination in violation of the law. As noted, I have always served gay and  
12 lesbian customers without any problem.

13           16.    The reason I could not create floral arrangements for Robert's wedding  
14 ceremony to Curt freed was because of my biblical belief that marriage is a union of a man and  
15 a woman. I was declining participation in an event. I did not decline because of Robert and  
16 Curt's sexual orientation.

17           I declare under the penalty of perjury that the foregoing answers to Plaintiffs' discovery  
18 requests are true and correct to the best of my knowledge. Executed October 25, 2013.

19  
20 

21 Barronelle Stutzman  
22  
23  
24  
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**STATE of WASHINGTON    SECRETARY of STATE**

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I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

***CERTIFICATE OF INCORPORATION***

to

**ARLENE'S FLOWERS, INC.**

a Washington                      Profit                      corporation. Articles of Incorporation were  
filed for record in this office on the date indicated below:

U.B.I. Number:    601 219 172

Date:    December 18, 1989



Given under my hand and the seal of the State of  
Washington, at Olympia, the State Capitol

Ralph Munro, Secretary of State

## AGREEMENT

**THIS AGREEMENT** is made this 31 day of January, 2000, by and between **BARRONELLE STUTZMAN**, hereinafter the "Buyer," and **DOROTHY RYAN**, hereinafter the "Seller" and **ARLENE'S FLOWERS, INC.** a Washington Corporation, hereinafter the "Corporation".

**WHEREAS**, there is presently 10,000 shares of one class of common stock of the Corporation that is outstanding. The Seller owns 9,500 shares of the Corporation, 4,500 of which she is gifting to Buyer concurrently with the execution of this Agreement;

**WHEREAS**, Buyer will own 5,000 shares and Seller will own 5,000 shares of the Corporation;

**WHEREAS**, there is currently a Buy-Sell Agreement in place dated November 3, 1992, whereby the Corporation agrees to purchase all of Seller's interest in the Corporation upon her death, with life insurance owned by the Corporation;

**WHEREAS**, the Corporation desires to terminate the Buy-Sell Agreement and cancel the life insurance as set forth herein; and

**WHEREAS**, the Seller is willing to sell and the Buyer is willing to purchase 5,000 shares of the Corporation. The parties have agreed that the purchase price for these shares shall be \$23,000.00 and after payment of such Buyer will own all of the shares of the Corporation.

**NOW, THEREFORE**, the parties agree as follows:

1. **Sale and Purchase of Shares.** The Seller hereby sells and the Corporation hereby purchases effective as of January 1, 2000, 5,000 shares of the Corporation stock for the total purchase price of \$23,000.00.

2. **Payment.** The purchase price, \$23,000.00, shall be paid by Buyer to Seller over a period of no more than six (6) years with monthly payments of \$403.26 per month beginning on February 1, 2000 and like sum of \$403.26 on the first day of each month thereafter until the purchase price, including interest, is paid in full. Interest at the rate of eight percent (8%) per annum on a declining balance shall be charged commencing January 15, 2000 and is included in each monthly payment. Any payment shall first be applied to interest and then to principal and Buyer shall have the right to prepay the principal in whole or in part at any time without penalty. Such balance shall be reduced to a promissory note in a form as depicted by Exhibit "A" attached hereto. In the event of Seller's death, all remaining unpaid debt, if any, due under said promissory note shall be forgiven.

3. **Delivery of Shares.** Seller shall deliver to Buyer duly endorsed stock certificates for all of the shares of the Corporation owned by Seller. These certificates shall be surrendered to the Corporation, the transfer noted on the books of the corporation, and a new certificate issued in the name of Buyer.

4. **Representations of the Seller.** The Seller represents and warrants that she has full right, power, legal capacity and authority to enter into this Agreement, to sell and deliver to Buyer the shares to be sold and delivered. The Seller further represents and warrants that all the shares sold shall be free and clear of all liens, charges, security and encumbrances whatsoever; and such shares shall be legally issued, fully paid and non-assessable shares of the Corporation.

5. **Investment Representation.** Buyer is acquiring the shares of common stock described herein for his own account and not with a view to, or for sale, in connection with any distribution of any security. Buyer will not sell, offer to sell, or solicit offers to buy any of the

shares of common stock described herein in violation of the Securities Act of 1933, or the security laws of any state without first complying therewith. Buyer further understands that the shares of common stock described herein have not been registered for sale in this transaction pursuant to any federal or state securities law. Nothing in this paragraph shall be deemed to constitute an express or implied representation, admission or other statement by any party hereto that the transactions contemplated by this Agreement are subject to any state and federal law.

6. **Amendment.** This Agreement may be altered or amended in whole or in part only in writing signed by the parties hereto and attached to this Agreement.

7. **Governing law.** This Agreement shall be construed in accordance with and governed by the Laws of the State of Washington.

8. **Binding effect.** The provisions of this Agreement shall be binding upon and inure to the benefit of each of the parties and their respective successors and assigns. Should either party be forced to enter into litigation to enforce the terms of this Agreement, the prevailing party shall be entitled to an award of the reasonable attorney's fees incurred therein.

9. **Termination of Buy-Sell Agreement.** The parties agree that the Buy-Sell Agreement dated November 3, 1992 is hereby terminated and is null and void and unenforceable. The Corporation shall cancel the life insurance currently owned by it insuring Seller pursuant to such Agreement and the cash value of such policy shall be divided equally between the Corporation and Seller. Additionally, any loans relating to such insurance shall be forgiven.

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be duly executed on this \_\_\_\_\_ day of January, 2000.

**SELLER:**

*Dorothy R Ryan*  
**DOROTHY RYAN**

**BUYER:**

*Barronelle Stutzman*  
**BARRONELLE STUTZMAN**

**CORPORATION:  
ARLENE'S FLOWERS, INC.**

By: *Dorothy R Ryan*  
President

K39149stockpar

EXHIBIT

A

**PROMISSORY NOTE**

**\$23,000.00**

**January 15, 2000**

**FOR VALUE RECEIVED, BARRONNELLE STUTZMAN, promises to pay to DOROTHY RYAN, or order, the sum of \$23,000.00, with interest thereon at the rate of eight percent (8%) per annum from date hereof, payable as follows:**

**In monthly installments of Four Hundred Three and 26/100 Dollars (\$403.26), with the first payment due the 1st day of February, 2000 and like payments on like date in each successive month thereafter until the total unpaid principal and interest is paid in full. Payments shall first be applied to accrued interest, then to principal and Barronelle Stutzman shall have the right to prepay the principal in whole or in part at any time without penalty.**

**If said note is not so paid, the whole sum of both principal and interest shall become due and payable at once without further notice, at the option of the holder hereof.**

**This note shall bear interest at the rate of eight percent (8%) per annum after maturity or after failure to pay any installment as above specified, and if this note shall be placed in the hands of an attorney for collection, or if suit shall be brought to collect any of the principal or interest of this note, I promise to pay a reasonable attorney's fee.**

**In the event of Dorothy Ryan's death, all remaining unpaid debt, if any, under this promissory note is forgiven.**

**I acknowledge that proper venue for any action brought pursuant to this note shall lie in Benton County, Washington.**

**The maker of this note executes the same as a principal and not as a surety.**

**BARRONELLE STUTZMAN**

K99149promnote

**PROMISSORY NOTE**

**\$23,000.00**

**January 15, 2000**

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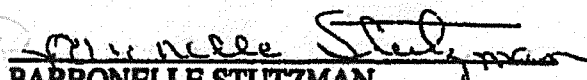
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**The maker of this note executes the same as a principal and not as a surety.**

  
**BARRONELLE STUTZMAN**  
K39149promnote





# ARTIST'S STOCK EXCHANGE

The Corporation is authorized to issue 25,000 Shares of which 10,000 are now outstanding.

**The Certificate**

**BARONELLE STUTZMAN**

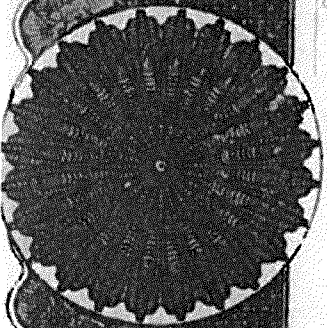
Ten Thousand (10,000)

in the name of

non-assessable Shares of the above Corporation transferable only in the books of the Corporation by the holder thereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.

I, **Wm. W. Wood**, the said Corporation, have caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation.

Dated January 31, 2000





**BYLAWS**  
**OF**  
**ARLENE'S FLOWERS, INC.**

**ARTICLE I. OFFICES**

1. **Registered Office.** The registered office of the corporation shall be as stated in the Articles of Incorporation or as may be fixed from time to time by the Board of Directors.
2. **Other Office.** The corporation may have other offices within or outside of the State of Washington at such places as the Board of Directors may fix from time to time or as the business of the corporation may require.

**ARTICLE II. SHAREHOLDERS**

1. **Place of Meetings.** All meetings of the shareholders shall be held at the registered office of the corporation, at the principal place of business of the corporation or at such other places as shall be determined from time to time by the Board of Directors, and the place at which such meeting shall be held shall be stated in the notice of the meeting.
2. **Annual Meetings.** The annual meeting of the shareholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held on a date to be fixed by the Board of Directors in the month of November of each year. If the annual meeting of the shareholders is not held as herein prescribed, the election of directors may be held at any meeting called pursuant to these Bylaws and the laws of the State of Washington. At the annual meeting of shareholders, 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 directors.
- (f) Election of directors.
- (g) Miscellaneous business.

3. Special Meetings. Special meetings of the shareholders may be called at any time by the Chairman of the Board, the President or the Board of Directors and shall be called by the Secretary at any time upon written request of any director or of any shareholder or shareholders holding in the aggregate not less than one-tenth of all the shares entitled to vote at such meeting.

4. Notice of Meetings. Notice of the time and place of the annual or any special meeting of shareholders shall be given by personally delivering or by mailing a written or printed notice of the same at least ten days, and not more than sixty days, prior to the meeting to each shareholder of record entitled to vote at such meeting. If mailed, postage shall be prepaid and the notice shall be addressed to the shareholder's last known address appearing on the stock transfer books of the corporation. In the case of a special meeting the notice shall state the purpose or purposes for which the meeting is called. Notice of any shareholders' meeting may be waived in writing by any shareholder at any time.

5. Fixing of Record Date. The Board of Directors shall fix in advance a date as the record date for any determination of shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose. Such record date in any case shall be not more than sixty days and, in case of a meeting of shareholders,

not less than ten days, prior to the date on which the particular action requiring such determination of shareholders is to be taken. If no record date is so fixed, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring the dividend or taking such other action is adopted, as the case may be, shall be the record date for such determination of shareholder.

6. Quorum and Voting. Except as otherwise provided by law or by the Articles of Incorporation:

(a) A quorum at any annual or special meeting of the shareholders shall consist of persons representing, either in person or by proxy, shares entitled to a majority of the voting power of all shares of the corporation entitled to vote at such meeting.

(b) If a quorum be not present at a properly called shareholders' meeting, the meeting may be adjourned by those present without new notice being given; provided, however, that any meetings at which directors are to be elected shall be adjourned only from day to day until such directors have been elected.

(c) The votes of a majority in interest of those present at any properly called meeting or adjourned meeting of shareholders at which a quorum, as in this paragraph defined, is present, shall be sufficient to transact business.

(d) The officer or agent having charge of the stock transfer books for shares of the corporation shall, at least ten days before each meeting of shareholders, make a complete record of the shareholders entitled to vote at each meeting of shareholders or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each, which record, for a period of ten days prior to such meeting, shall be kept on file at the registered office

of the corporation. Such record shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof.

7. Proxies. Every shareholder shall have the right to cast his vote either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy. No proxy may be effectively revoked until notice in writing of such revocation has been given to the secretary of the corporation by the shareholder granting the proxy.

8. Voting of Shares by Certain Holders. Shares standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the Bylaws of such corporation may prescribe, or in the absence of such provision, as the board of directors of such corporation may determine. A certified copy of a resolution adopted by such directors shall be conclusive as to their action.

Shares held by an administrator, executor, guardian, or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name. He either in person or by proxy may vote shares standing in the name of a trustee, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by the receiver without the transfer thereof into his name if authority to do so be contained in an appropriate order of the court by which such receiver was appointed.

If shares are held jointly by three or more fiduciaries, the will of the majority of the fiduciaries shall control the manner of voting or giving of a proxy, unless the instrument or order appointing such fiduciaries otherwise directs.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

Treasury shares shall not be voted, directly or indirectly, at any meeting, or counted in determining whether a quorum is present at any meeting or determining the total number of outstanding shares at any given time.

9. Action Without a Meeting. Any action to be taken at a meeting of the shareholders, or any action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

10. Conference Calls. A shareholder may participate in a meeting of the shareholders by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation of a shareholder by such means shall constitute presence in person at such meeting.

### ARTICLE III. STOCK

1. Certificates. Certificates of stock shall be issued in numerical order, and each shareholder shall be entitled to a certificate signed by the President or a Vice-President and the Secretary or Assistant Secretary certifying to the number of shares which the certificate represents.

Facsimile signatures may be utilized to the extent permitted by applicable law.

2. Transfers. No shareholder of the corporation may transfer any of his, her or its stock in the corporation to a person not a shareholder of the corporation without first offering the stock at fair market value to the corporation for redemption or purchase and to the current shareholders.

Transfers of stock shall be made only upon the transfer books of the corporation kept at the office of the corporation, and, before a new certificate is issued, the old certificate shall be surrendered for cancellation.

3. Rights of Registered Shareholders. Registered shareholders only shall be entitled to be treated by the corporation as the holders in fact of the stock standing in their respective names, and the corporation shall not be bound to recognize any equitable or other claim to or interest in any share on the part of any other person, whether or not it shall have express or other notice thereof, except as expressly provided by the laws of the State of Washington.

4. Replacement of Certificates. In case of loss or destruction of any certificate of stock, another may be issued in its place upon proof of such loss or destruction and upon such terms and conditions as the Board of Directors may provide, which may include a corporate surety bond or other indemnity.

5. Failure to Pay Subscription. If any subscriber for shares fails to pay amounts when due, the Board of Directors may declare a forfeiture of the subscription and/or of the amounts paid thereon if such failure remains uncured for at least twenty days after written demand has been made therefore. The provisions of the foregoing sentence shall provide rights to the corporation in addition to any other rights existing under applicable law.

#### **ARTICLE IV. BOARD OF DIRECTORS**

1. **Powers, Number and Tenure.** The management of all the affairs, property and interest of the corporation shall be vested in a Board of Directors initially consisting of one (1) person, who shall be elected for a term of one year and shall hold office until his successors are elected and qualified. In addition to the powers and authority by these Bylaws and the Articles of Incorporation expressly conferred upon it, 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 shareholders.

2. **Change in Number.** Other than as to the initial Board of Directors, the number of directors may at any time be increased or decreased by the Board of Directors who shall have the power to elect such additional directors to hold office until the next annual meeting of the shareholders and until their successors are elected and qualified. The change in number of directors shall not however diminish the term of any incumbent director, whose term may be diminished only as provided by law and these Bylaws.

3. **Vacancies.** All vacancies in the Board of Directors, whether caused by resignation, death or otherwise, may be filled by the remaining director or a majority of the remaining directors, or by the shareholders at any regular or special meeting held prior to the filling of such vacancy by the Board of Directors as above provided. A director thus elected to fill any vacancy shall hold office for the unexpired term of his predecessor and until his successor is elected and qualified.



4. Regular Meetings. The Board of Directors or any committee designated by the Board of Directors may by resolution adopt a schedule of regular meetings. Regular meetings of the Board of Directors or of any committee designated by the Board of Directors may be held with or without notice at the registered office or principal place of business of the corporation or at such place or places as the Board of Directors or such committee, as the case may be, may from time to time designate.

5. Special Meetings. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board, the President or by any two directors, to be held at the registered office or principal place of business of the corporation or at such other place or places as the directors may from time to time designate. Special meetings of any committee designated by the Board of Directors may be called at any time by the Chairman of the Board, the President, by the chairman of such committee or by any two members thereof, to be held at the registered office or principal place of business of the corporation or at such other place or places as the members of such committee may from time to time designate.

6. Notice of Meetings. Written notice of all special meetings of the Board of Directors or of any committee designated by the Board of Directors shall be given to each director or member of such committee, as the case may be, not less than one day in advance of the same by telegram or personal delivery or, if by mail, such notice shall be deposited in the U.S. mail not less than three days in advance. Any director or any committee member may waive notice of any meeting in writing at any time.

7. Attendance at Meetings. The attendance of a director or any committee member at a meeting shall constitute a waiver of notice of such meeting, except where a director or committee



member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Members of the Board of Directors or of any committee designated by the Board of Directors may participate in a meeting by means of a conference telephone call or similar communications equipment, and participation by such means shall constitute presence in person at a meeting.

8. Quorum and Voting. A majority of the whole Board of Directors shall be necessary at all meetings to constitute a quorum for the transaction of business, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of the majority of the directors present at a meeting or adjourned meeting at which a quorum is present shall be the act of the Board of Directors.

9. Chairman of the Board. If the Board of Directors shall elect a Chairman of the Board, he shall act as Chairman of all meetings of the Board of Directors and shareholders and except as may otherwise be provided by the Board of Directors, he shall be the Chief Executive Officer of the corporation.

10. Action of Directors or Committee Without a Meeting. Any action required to be taken at a meeting of the directors and any action which may be taken at a meeting of the directors or a committee (if any committee is appointed pursuant to Section 11 of this Article), may be taken without a meeting if a consent in writing, setting forth the action to be so taken, shall be signed by all of the directors, or all of the members of the committee, as the case may be.

11. Committees. The Board of Directors by a resolution adopted by a majority of the full Board of Directors of the corporation may designate from among its members an Executive Committee, or one or more other committees, each of which, to the extent provided in such

resolution, shall have and may exercise any or all of the authority of the Board of Directors, except as limited by law. The designation of any such committee and the delegation thereto of authority shall not relieve the Board of Directors or any member thereof, of any responsibility imposed by law.

12. Removal. At a meeting of the shareholders called expressly for that purpose, the entire Board of Directors, or any lesser number, may be removed from office, with or without cause, by a vote of the holders of a majority of the shares entitled to vote at an election of directors. Unless the Articles of Incorporation deny or limit the right of cumulative voting, if less than the entire Board of Directors is to be removed, or one of the directors may be removed if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors, or, if there be classes of directors, at an election of the class of directors of which he is a part. If the Board of Directors or any one or more directors is so removed, new directors may be elected at this same meeting.

13. Compensation. By resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

14. Presumption of Assent. A director present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as 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 shall not apply to a director who voted in favor of such action.

#### **ARTICLE V. OFFICERS**

1. **Election and Term of Office.** The officers of the corporation shall be elected annually by the Board of Directors at the first meeting held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

2. **Removal.** Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

3. **President.** Subject to the provisions of Article IV regarding the Chairman of the Board, the President shall be the Chief Executive Officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business affairs of the corporation. In the absence of the Chairman of the Board, or if there be none, the President shall preside at all meetings of the Board of Directors and shareholders. With the Secretary or any other proper officer of the corporation authorized by the Board of Directors, he may sign certificates for shares of the corporation, any deeds, mortgages, bonds, contracts, or other instruments which the

Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation or shall be required by law to be otherwise signed or executed. In general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by resolution of the Board of Directors from time to time.

4. Vice-President. In the absence of the President or in the event of his death, disability, or refusal to act, the Vice President shall perform the duties of the President. If there shall be more than one Vice-President, the Vice-Presidents shall so act in the order designated at the time of their election, or in the absence of any designation, then in the order of their election. When so acting, the Vice-President shall have all the powers of and be subject to all the restrictions upon the president and shall perform such other duties as from time to time and be assigned to him by resolution of the Board of Directors.

5. Secretary. The Secretary shall, (a) keep the minutes of the shareholders' and Board of Directors' meetings in one or more books provided for that purpose, (b) see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law, (c) be custodian of the corporate records and of the seal (if any) of the corporation and see that the seal of the corporation is affixed to all documents and execution of which on behalf of the corporation under its seal is duly authorized, (d) keep a register of the post office address of each shareholder, (e) sign with the President, or a Vice President, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors, (f) have general charge of the stock transfer books of the corporation, and (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by resolution

of the Board of Directors.

6. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties, in such sums and with such surety or sureties as the Board of Directors shall determine. He or she shall, (a) have charge and custody of and be responsible for all funds and securities of the corporation, (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, (c) deposit all such moneys in the name of the corporation in the banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws, and (d) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by resolution of the Board of Directors.

7. Assistant Secretaries and Assistant Treasurers. If required by the Board of Directors, the Assistant Secretaries and Treasurers shall respectively give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers in general shall perform such duties as shall be assigned to them by the Secretary or the Treasurer respectively, or by the President or by resolution of the Board of Directors.

8. Salaries. The salaries of the officers shall be fixed from time to time by the Board of Directors. No officer shall be prevented from receiving a salary by reason of the fact that he is also a director of the corporation.

#### ARTICLE VI. CONTRACTS, LOANS, CHECKS, DEPOSITS

1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of the



corporation, and that authority may be general or confined to specific instances. A director or officer of the corporation shall not be disqualified by his office from dealing or contracting with the corporation either as a vendor, purchaser, creditor, debtor, or otherwise.

2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. That authority may be general or confined to specific instances. No loans shall be made by the corporation to a director nor shall the corporation guarantee the obligation of a director unless either: (a) the particular loan or guarantee is approved by the vote of the holders of at least a majority of the votes represented by the outstanding voting shares of all classes, except the votes of the benefited director, or (b) the Board of Directors determines that the loan or guarantee benefits the corporation and either approves the specific loan or guarantee or a general plan authorizing loans and guarantees.

3. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by the officer or officers, agent or agents of the corporation and in the manner as shall from time to time be determined by resolution of the Board of Directors.

4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in the banks, trust companies or other depositories as the Board of Directors may select.

#### ARTICLE VII. DIVIDENDS AND FINANCE

1. Declaration and Payment of Dividends. Dividends may be declared by the Board of Directors and thereafter paid by the corporation, subject to the conditions and limitations imposed

by the Articles of Incorporation, these Bylaws and the laws of the State of Washington.

2. Permissible Reserves. Before making any distribution of profits, there may be set aside out of the net profits of the corporation such sum or sums as the directors from time to time in their absolute discretion deem expedient as a reserve fund to meet contingencies, or for equalizing dividends, or for maintaining any property of the corporation, or for any other purpose, and any profits of any year not distributed as dividends shall be deemed to have been thus set apart until otherwise disposed of by the Board of Directors.

#### ARTICLE VIII. SEAL

The Board of Directors may adopt a corporate seal which, if adopted, shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation, the year of incorporation and the words "Corporate Seal".

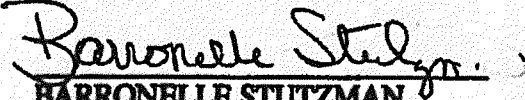
#### ARTICLE IX. AMENDMENTS

The Bylaws may be altered, amended or repealed and the Board of Directors may adopt new Bylaws at a meeting called for that purpose. Any Bylaw adopted or changed by the Board of Directors may be amended, repealed or altered by an affirmative vote of the shareholders at a meeting of shareholders following such action.

The Board of Directors adopted the foregoing Bylaws on the 31 day of January, 2000.

  
DAROLD STUTZMAN  
Secretary

ATTEST:

  
BARRONELLE STUTZMAN  
President

K99149 bylaws



**JOINT CONSENT OF BOARD OF DIRECTORS AND SHAREHOLDERS  
IN LIEU OF ANNUAL MEETING  
OF ARLENE'S FLOWERS, INC.**

The undersigned, being all the stockholders and directors of ARLENE'S FLOWERS, INC., a Washington corporation, hereby authorize, consent to and adopt the corporate actions described in the resolutions set forth below, without the necessity of a meeting of the shareholders or Board of Directors, as authorized by RCW 23B.07.040 and RCW 23B.08.210, the same shall be fully effective and valid as the action of the shareholders and directors the same as though a meeting had, in fact, been held:

**RESOLVED**, That the following individuals are elected to serve as Directors of the corporation:

**BARRONELLE STUTZMAN**

And shall hold office until the next annual meeting of the corporation, or until his/her successor shall have been chosen and qualified, or otherwise as provided in the Bylaws; and be it further

**RESOLVED**, That the following individuals are elected to the offices set opposite their names:

<u>Name</u>	<u>Office</u>
BARRONELLE STUTZMAN	President
DAROLD STUTZMAN	Secretary/Treasurer

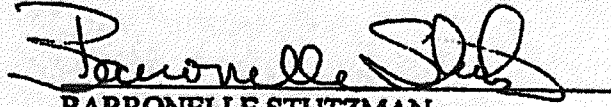
And shall hold office until the next annual meeting of the corporation or until their successors shall have been chosen and qualified or otherwise as provided in the Bylaws; and be it further

**RESOLVED**, That the acts of the officers and directors on behalf of the corporation since the annual meeting held in January 2012, are hereby ratified and approved; and be it further

**RESOLVED**, That this consent action shall serve as the annual meeting of the Shareholders and Board of Directors, and the officers of the corporation are

authorized to prepare, execute and file the Annual Report of the corporation with the State of Washington at the appropriate time.

**EFFECTIVE: JANUARY 30, 2013.**

A handwritten signature in black ink, appearing to read "Barronelle Stutzman", written over a horizontal line.

**BARRONELLE STUTZMAN**  
Shareholder and Director

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