

APPENDIX

LAKE EASTON ESTATES HOMEOWNERS ASSOCIATION
ARTICLES OF INCORPORATION & BYLAWS



STATE of WASHINGTON



SECRETARY of STATE

I, **RALPH MUNRO**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF INCORPORATION

to

LAKE EASTON ESTATES HOMEOWNERS
ASSOCIATION

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

UBI Number: 602 041 873

Date: June 05, 2000



Given under my hand and the Seal of the State of Washington at Olympia, the State Capital

Ralph Munro, Secretary of State
2-927036-0



STATE OF WASHINGTON SECRETARY OF STATE

Ralph Munro, Secretary of State

- Please PRINT or TYPE in black ink
Sign, date and return original and one copy to:

CORPORATIONS DIVISION
505 E. UNION • PO BOX 40234
OLYMPIA, WA 98504-0234

- Be sure to include filing fee. Checks should be made payable to "Secretary of State"

APPLICATION TO FORM A NONPROFIT CORPORATION

(Per Chapter 24.03 RCW)

FEE: \$30

EXPEDITED (24-HOUR) SERVICE AVAILABLE - \$20 PER ENTITY
INCLUDE FEE AND WRITE "EXPEDITE" IN BOLD LETTERS
FILED ON OUTSIDE OF ENVELOPE

STATE OF WASHINGTON
FOR OFFICE USE ONLY

Filed: JUN 05 2000 UBI: 602 041 873
CORPORATION NUMBER: 2927 0360
RALPH MUNRO SECRETARY OF STATE

IMPORTANT! Person to contact about this filing: JIM JARVIS
Daytime Phone Number (with area code): 425-255-8881

ARTICLES OF INCORPORATION

NAME OF CORPORATION: LAKE EASTON ESTATES HOMEOWNERS ASSOCIATION
EFFECTIVE DATE OF INCORPORATION: [X] Upon filing by the Secretary of State
TERM OF EXISTENCE: [X] Perpetual
PURPOSE: TO FORM HOMEOWNERS ASSOCIATION
IN THE EVENT OF A VOLUNTARY DISSOLUTION, THE NET ASSETS WILL BE DISTRIBUTED AS FOLLOWS: TO HOMEOWNERS OF LAKE EASTON ESTATES

NAME AND ADDRESS OF WASHINGTON STATE REGISTERED AGENT: JIM JARVIS, 24025 172nd AVE SE, KENT, WA 98042
Signature of Agent: [Signature]
Printed Name: JIM JARVIS
Date: 06-03-2000

NAMES AND ADDRESSES OF EACH INITIAL BOARD DIRECTOR: JIM JARVIS (AS ABOVE), JEFF Lafferty
Address: 24214 232ND PL SE, Maple Valley, WA 98038

NAMES AND ADDRESSES OF EACH INCORPORATOR: JIM JARVIS, JEFF Lafferty
Address: 24025 172nd AVE SE, Kent, WA 98042

SIGNATURE OF INCORPORATOR: [Signature]
Printed Name: Jim JARVIS
Title: CO-DIRECTOR
Date: 06-03-00

CORPORATIONS INFORMATION AND ASSISTANCE - 360/753-7115 (TDD - 360/753-1485)

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VAI: 06/05/2000 - 131790
\$50.00 on 06/05/2000
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**BY-LAWS OF
LAKE EASTON ESTATES HOMEOWNERS
ASSOCIATION**

ARTICLE I

The name of this corporation is and shall be LAKE EASTON ESTATES HOMEOWNERS ASSOCIATION, and for convenience may be referred to hereinafter as the "Homeowners Association".

ARTICLE II

Section 1: Membership. The membership of the Homeowners Association shall include all the owners or purchasers of lots as defined below, within the area described in Article II of the Articles of Incorporation, who shall be members without liability for payment of any fees, charges, or assessments hereinafter provided for unless said members qualify for membership by reason of subsequent purchase of lots. A vendee under a contract of purchase shall be deemed to be an owner for membership purposes and the vendor under a contract to purchase shall not be deemed to be an owner for membership purposes.

Section 2. Definition of Lot. The definition of lot as used herein is deemed to be understood to mean:

(a) ~~any~~ lot in any of the platted portions of the property;

- (b) any unplatted parcel of land lying within the boundaries of the real property as described in Article II of the Articles of Incorporation;
- (c) any divisions of either a platted lot or unplatted parcel of land; and
- (d) any living unit originating by reason of platting designations providing for multi-family use.

If any questions should arise as to the determination of what constitutes a lot, the same shall be resolved by the Board of Trustees of the Homeowners Association whose decision shall be binding and final.

Section 3. Certificates of Membership. Each owner or purchaser of a lot shall be entitled to a certificate of membership in the Homeowners Association. Certificates of membership in the Homeowners Association shall be in such form as the Board of Trustees shall designate. Each certificate of membership shall be issued over the signature of the President and Secretary. A certificate book shall be maintained which shall contain a margin on which shall be shown the number, date, name of the member, and the lot owned by such member, as set forth in the corresponding certificate. Members shall be entitled to exercise all of the rights and privileges of membership, and they shall be subject to all of the obligations and liabilities of membership, without the actual issuance and possession of said certificates of membership. In the event any owner or purchaser acquires two or more lots, he shall be entitled to membership certificates for each separate lot. If any lot shall be held by two or more persons jointly, or by a corporation, trust, or other entity, the several owners or purchasers of such interest shall be entitled to a single membership certificate to be issued in the

joint names. A lot held as community property shall qualify the owners thereof for one membership certificate only, which membership certificate shall be in the name of the husband as manager of the community.

Section 4. Membership Appurtenant to Land. Membership and the certificate evidencing the same shall be inseparably appurtenant to the ownership of a lot, and upon transfer of ownership or contract for sale of such lot, membership and certificate of membership shall *ipso facto* be deemed to be transferred to the grantee or contract purchaser. No membership or certificate of membership may be transferred, assigned or in any manner conveyed other than in the manner hereinabove set forth. In the event of foreclosure against any lot by a judicial proceeding, the transfer of membership shall not be deemed to be complete until the issuance of Sheriff's deed at the expiration of the period of redemption. In the event of the death of a member, the membership and certificate of membership of such deceased member shall be and become the property of the personal representative of such deceased member upon appointment and qualification as such in a judicial proceeding and such personal representative shall have all of the rights, privileges, and liabilities of the deceased member until title shall be transferred, contracted to be transferred, or distributed.

Section 5. Cessation of Membership. No membership shall be forfeited nor member be expelled except upon foreclosure for nonpayment of assessments. No member may withdraw except upon transfer of title to the real property to which his membership is appurtenant, as elsewhere herein provided. No compensation shall be paid by the Homeowners Association upon any transfer of membership and no member whose membership is transferred shall be entitled to share or participate in any of

the property, facilities, services, or assets of the Homeowners Association.

Section 6. Assessment of Membership. The rights of membership are subject to the payment of annual and special assessments levied by the Homeowners Association. The obligation of these assessments is imposed against each lot and the owner and purchaser thereof and becomes and is a lien upon each such lot. The terms and conditions of said assessments are set forth more fully within these By-Laws and in the Declaration of Protective Covenants and Restrictions as affects the subject property.

Section 7. Membership Rights. Each member shall be entitled to the use and enjoyment of the common properties, facilities, and services. Any such member may delegate his rights of enjoyment in the common properties and facilities to the members of his family and any tenants who reside upon his lot under a leasehold interest. Such member shall notify the Secretary of the Homeowners Association in writing of the name of any such person and of the relationship of the member to such person. The rights and privileges of such person are subject to suspension to the same extent as those of the member and is more fully set forth in the following section.

Section 8. Suspension of Membership Rights. The membership rights of any person may be suspended by action of the board of Trustees upon the non-payment of any assessments when due. The suspension period shall be effective until all such assessments are paid and are current. Upon the payment of any such assessments the suspended person's rights and privileges shall be automatically restored. The Board of Trustees is also in authority to temporarily suspend any member's rights for cause.

ARTICLE III

Objects and Purposes. The objects and purposes of the Homeowners Association shall be to further promote the community welfare of the owners of the lots within the land area described in Article II of the Articles of Incorporation, and by reference incorporated herein. For convenience purposes, the real property as described in said Article II of the Articles of Incorporation and any additional property thereto or which may be added to promote the overall scheme of development as set forth in said Articles of Incorporation and as further developed by these By-Laws, shall be known for these purposes as "Lake Easton Estates Homeowners Association". The Homeowners Association shall be authorized to do whatever may be deemed necessary, conducive, incidental, or advisable to accomplish and promote the objects and purposes as set forth in the Articles of Incorporation.

ARTICLE IV

Section 1. Authority of Trustees. The business, property, and affairs of the Homeowners Association shall be managed by a Board of Trustees. The Board of Trustees shall have the general management and control of the business and affairs of the Homeowners Association and shall exercise any and all of the powers that may be exercised or performed by the Homeowners Association under the law, the Articles of Incorporation and these By-Laws. The Board of Trustees may make and enforce such rules and regulations as it deems necessary, conducive, incidental, or advisable to accomplish or promote the objects and purposes of the Homeowners

Association and its use of property, assets and facilities.

Section 2. Number of Trustees and Term of Office. The initial number of Trustees shall be those individuals named in the Articles of Incorporation who shall serve each for a term of Three (3) years from date hereof. The maximum number of Trustees as authorized by the Board at any one time shall be nine (9) members. The initial Board of Trustees shall appoint such additional members as it deems necessary for the community welfare. Such additional appointed members shall serve for a term of three (3) years from the date of appointment. A Trustee shall serve for the term for which he is elected or appointed and until his successor shall have been elected or appointed and qualified. The Trustees shall be members of the Homeowners Association.

Section 3. Election and Vacancies. All successors Trustees shall be elected at the next annual meeting of the Homeowners Association following the expiration of the term of the office of the original named Trustees and their appointees. All such successors shall serve for a term of three (3) years. In the event of any resignation, incompetency, or death of any Trustee the remaining Trustees are authorized to elect a successor in office to serve for the remaining period of time.

Section 4. Meetings. Meetings of the Board of Trustees shall be held at such times and places as shall be determined by a majority of the Board or such meetings shall be held at such times and places as shall be determined by a majority of the Board or such meetings shall be held when called by any officer of the Homeowners Association. Twenty-four (24) hours notice of such meeting shall be given to each Trustee which notice may be given by

telephone.

Section 5. Quorum. A majority of the Trustees shall constitute a quorum for the transaction of business and a majority of such quorum shall determine any questions except as otherwise provided by law, the Articles of Incorporation or these By-Laws; provided however, that if a quorum not be present, the majority of those Trustees present may adjourn to such future time and place as they shall determine notice of such adjournment to be given to each Trustee as herein provided for meetings of the Board of Trustees, and any number of Trustees shall constitute a quorum at such deferred meeting.

Section 6. Water Master. The Board of Trustees shall appoint a Water Master to manage the water Lake Easton Estates Domestic Water system.

ARTICLE V

Section 1. Number of Officers. The officers of the Homeowners Association shall be a president, a vice-president, a secretary, and a treasurer. Such officers shall be elected for a term of one (1) year, and until the successor of each is elected and qualified by the Board of Trustees at the first meeting of the Board after the annual meeting of the members or any adjournment thereof.

Section 2. Qualifications of Officers. All officers must be Trustees of the Homeowners Association.

Section 3. President. The President shall be the executive head of the Homeowners Association, and shall preside at all meetings of the Board of

Trustees and all meetings of the members. The President, together with the Secretary, shall sign all certificates of membership, contracts, deeds, and other obligations of the Homeowners Association and other instruments authorized by the Board of Trustees.

Section 4. Vice-President. The Vice-President shall perform in the absence of the President or in the event of the President's inability to act, the same duties and functions as are provided to be performed by the President. The Vice-President shall also perform the duties of the Secretary in the Secretary's absence or inability to act insofar as the same shall pertain to the calling of meetings of members or Trustees.

Section 5. Secretary. The Secretary shall be the custodian of all records and documents pertaining to the Homeowners Association and its property. He shall keep fair and correct minutes and records of all meetings of members and of the Board of Trustees. He shall sign with the President where appropriate all certificates of membership, contracts, deeds, and other obligations of the Homeowners Association, and other instruments authorized by the Board of Trustees. He shall give notice of all meetings of members of the Homeowners Association and of the Board of Trustees as set forth in these By-Laws. If, at any meeting of the members or Board of Trustees the Secretary shall be absent or unable to perform his duties, the President shall have the right to appoint a Secretary pro tem.

Section 6. Treasurer. The Treasurer shall receive and safely keep all monies and securities belonging to the Homeowners Association, and shall disburse the same under the direction of the Board of Trustees. At each annual meeting of the members, and at any other time when directed by the Board of Trustees, he shall submit a report on the financial affairs of the

Homeowners Association and the status of all monies, funds and assets then on hand or received and disbursed since the Treasurer's last report.

Section 7. Authority. Any officer of this Homeowners Association shall perform and discharge such duties, other than those enumerated in this Article, as the Board of Trustees may from time to time require. The officers are all subject to the dictates of the Board of Trustees and the Board of Trustees may at any time remove any officer for cause upon notice given and appoint a successor. The Board of Trustees may appoint, employ, terminate, discharge, and provide for the duties and powers of such officers as in the judgment of the Trustees shall be advisable.

Section 8. Salaries. No officer shall receive an salary or compensation from the Homeowners Association unless the same be authorized by the Board of Trustees.

Section 9. Vacancies. Any vacancies occurring in the offices shall be filled by appointment by the Trustees.

ARTICLE VI

Indemnification of Trustees and Officers. Each Trustee and each and every officer of the Homeowners Association in consideration of his serving as such for the Homeowners Association shall be and he is hereby without the necessity of further or other contracts in relation to the same, indemnified and held harmless and by the Homeowners Association against and shall be reimbursed by the Homeowners Association for all expenses reasonable incurred or paid by him in connection with any action, suit or proceeding, including, but not limited to, attorneys fees, court costs, auditing fees, and/or investigation costs in which he is made a party by reason of his

being or having been an officer or Trustee of the Homeowners Association. In addition, the said Homeowners Association does hereby indemnify and hold harmless and agrees to defend each Trustee and each and every officer in any such action, suit or proceeding above described, against all and each and every judgments or award made in such action, except only such judgments or awards which shall be rendered against him for fraud or misconduct in the performance of his duties as such Trustee or officer.

The Homeowners Association shall have the right to settle or compromise any such action suit or proceeding and pay the amount or amounts required for such purpose and hold the Trustee or officer involved free and harmless from any requirement of participation therein or payment of any part thereof, provided that it shall be determined by a majority of a quorum of the Board of Trustees not affected by self-interest, or if there be no such disinterested quorum, then by a committee of reputable disinterested persons to whom the question may be referred by the Board of Trustees, and that the Board shall have been furnished with an opinion of counsel (not a salaried official of the Homeowners Association or member, Trustee or officer thereof), that such settlement or compromise is in the best interests of the Homeowners Association, and that in their belief the Trustee or Trustees, officer or officers involved in the action, suit or proceeding were not guilty of fraud or misconduct in the performance of their duties as such Trustee or Trustees, officer or officers.

It shall be proper for the Homeowners Association to execute a formal agreement of indemnity to a Trustee or officer, but, as heretofore provided, such contract of agreement is not necessary and this By-Law, in itself, contains such an agreement between all Trustees and officers at the time of

the adoption hereof and for all times hereafter until the same is deemed exclusive of any other rights to which a Trustee or officer of the Homeowners Association may be entitled under any law, statute, or any other By-Law, or any agreement, contract, resolution of the members, or otherwise.

ARTICLE VII

Section 1. Annual Meeting of Members. Annual meetings of the members of the corporation shall be held at such hour on such day during the month of September or October of each year and at place in either Kittitas County, Washington, as shall be determined by the Board of Trustees. The Secretary shall mail or deliver to each member written notice of the time and place of such meeting, at least thirty days prior to the time appointed thereof. Notice mailed to the last address given the Secretary by any member shall be sufficient. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Homeowners Association, with postage prepaid thereon. If, for any reason, the annual meeting of the members shall not be held on the date hereinbefore designated, a delayed annual meeting may be called and held upon the giving of like notice thereof.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or majority of the Board of Trustees, or by members representing 25% of the lots within the jurisdiction of the corporation. Upon receipt of a request in writing setting forth the purpose of such proposed special meeting, signed by the President or a majority of the

Board of Trustees, or not less than 25% of the members of the Homeowners Association, the Secretary shall fix a time and place for such meeting, which shall be not less than fourteen (14) nor more than thirty (30) days from the receipt of such request, and shall cause written notice thereof, setting forth the time, place and purpose of the meeting to be given to each member by personal delivery or by mailing to the last address given the Secretary. If the Secretary shall neglect or refuse to issue such call, the President, Trustees, or members making the request may do so. At such special meeting not business shall be transacted other than that mentioned in the call.

Section 3. Quorum. The presence in person or by proxy of 20 members of the Homeowners Association shall constitute a quorum for the transaction of business at any meeting of the members.

Section 4. Voting Rights. Each holder of a membership certificate shall be entitled to one vote in person or by proxy for each lot owned upon each subject properly submitted to vote. Prior to any vote the Secretary shall provide a vote registrar indicating the specific number of votes that each member is entitled. In any multiple of ownership as previously defined in Section 3 of Article II the several owners shall only be entitled collectively to cast one vote.

Section 5. Proxies. Proxies shall be signed and filed with the Secretary prior to the opening of any meeting at which they are voted. Proxies shall be effective only for the meeting at which filed, unless by their express terms they are given a longer duration.

ARTICLE VIII

Section 1. Assessment Basis. For the purpose of securing funds to

meet the capital outlays, expenditures, and expenses required to accomplish any and all of the objects and purposes authorized in the Articles of Incorporation, including the payment of taxes and assessments if and when levied by any municipal body, and to provide for improvements and the maintenance and administration of any and all of the properties owned or as may be acquired by the Homeowners Association, as well as for meeting liabilities which may have arisen or may arise in connection therewith each and every lot in said Lake Easton Estates Homeowners Association Ranch (as described in the Articles of Incorporation), and the owner or purchaser of each thereof shall be determined and assessed from time to time by the Board of Trustees of the Homeowners Association. The validity of such assessments against individual lots shall in no event be dependent upon the authority of the Homeowners Association to determine and levy such assessments against all of the lots that may at any time exist in Lake Easton Estates Homeowners Association Ranch, but such assessments shall be valid to the extent that such authority has been granted to the Homeowners Association. The Board of Trustees of the Homeowners Association has the authority to select and designate the particular lots and the amounts to be so assessed, and their determination in these matters shall be final and conclusive.

Section 2. Owners' Acknowledgment of Assessment. Each owner of a lot or lots in Lake Easton Estates Homeowners Association Ranch shall by the acceptance of a deed for such lot or lots or by the signing of a contract or agreement to purchase the same binds himself, his heirs, personal representatives, and assigns to pay all such assessments as shall be determined and levied upon such lot or lots, including interest on such

assessments and collection costs thereon, if any, and the obligation to pay such assessments, interest, and costs thereby constitutes an obligation running with the land.

Section 3. Lien Date. The amount of all assessments against any lot, including interest thereon and collection costs, if any, shall be and becomes a lien upon such lot from and after the time each such assessment becomes due and payable and until all such assessments, including interest thereon and collection costs, if any, are paid in full. Such liens shall be superior to any and all other liens except the liens of first mortgages or deeds of trust.

Section 4. Time and Manner of Payment. The time and manner of paying such assessments shall be as specified by resolution of the Board of Trustees. The Secretary of the Homeowners Association shall mail or deliver to the owner or owners of each lot which is subject to an assessment written notices of such assessment and of the time and manner of paying the same at least one (1) month prior to the time such assessment shall become due and payable. Notice mailed to the last address given to the Secretary by any such owner or owners shall be deemed sufficient. If an assessment is made payable on other installment basis, notice shall be mailed or delivered on the initial levy of the assessment, but additional notices need not be sent as the individual installments thereof fall due.

Section 5. Lien Foreclosure. All liens herein provided for shall be enforceable by foreclosure proceedings in the manner provided by law for the foreclosure of mortgages; provided, however, that by acceptance of a deed for any lot or lots or by signing of a contract or agreement to purchase the same, such purchaser or owner shall thereby waive all rights of redemption and of homestead to such lot or lots with respect to foreclosure

of such liens. The Homeowners Association shall be entitled in any such action to recover in addition to the unpaid assessments and any interest thereon reasonable attorneys fees, title charges, and costs incidental to bringing and filing the action.

ARTICLE IX

Grant of Dedication. The Homeowners Association, acting by and through its Board of Trustees, is hereby granted the right, power, and authority to dedicate to public use, subject to any existing property rights, all of the roads, easements, rights of way, and utilities. In addition, the Homeowners Association is granted the authority and power to include within such dedications also easements for the installation and maintenance of any service or service lines as may be required by the public authority. Such dedication or grant shall be ratified by a vote or approval of two-thirds of the members voting at any such meeting therefor.

ARTICLE X

Notice. Every holder of a membership certificate shall furnish the Secretary with an address. Upon any changes in address it shall be the obligation of the holder of the certificate to so advise the Secretary. Any notice required to be given pursuant to these By-Laws shall be by written notice, unless otherwise specifically provided in these By-Laws. Such written notice may be given by depositing the same in a post office or mail box in the State of Washington in a prepaid envelope addressed to the recipient thereof at his last known address, and the time when the notice shall be mailed shall be deemed the time of giving such notice. A written

waiver of any notice, signed before or after the time stated in such waiver for holding a meeting, or attendance at a meeting, shall be equivalent to notice thereof required to be given by these By-Laws.

ARTICLE XI

Conduct of Business. Robert's Rules of Order shall be recognized as authority and shall govern all meetings when not in conflict with the law, the Articles of Incorporation or these By-Laws. All matters submitted to vote shall be decided by a majority vote of those members so voting unless otherwise specified within the Articles and these By-Laws.

ARTICLE XII

Section 1. Amending or Repealing By-Laws by Board of Trustees.

The Board of Trustees shall have the power to make, amend, or repeal the By-Laws of the Homeowners Association at any meeting of the Trustees by a vote of two-thirds of the Trustees present at any meeting at which there is a quorum present, provided notice of intention to make, amend, or repeal the By-Laws at such meeting shall have been given to each Trustee in accordance with the provisions for notice contained in these By-Laws.

Section 2. Amending or Repealing By-Laws by Members of the Homeowners Association. The members shall have the power, provided a quorum is present, to make, amend, or repeal the By-Laws by a two-thirds vote. Notice of intention to make, amend, or repeal the By-Laws shall have been given to each member prior to the meeting in accordance with the

On this 29 day of Sept, 2001, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared See Below 9 Names to me known to be one of the individuals described in and who executed the foregoing instrument, and acknowledged to me that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereunto affixed the 29 day of Sept, 2001.



Notary Public in and for the State of Washington, residing at Ellensburg
My appointment expires 8/27/04

~~Greg Elhard~~

~~Katya Allen~~

~~Tom Jarvis~~

~~Runt Kubit~~

* Marty Leese

* Craig Fisher

* Sherie Alma

~~Rich Tison~~

~~Margo Wakefield~~

