

Articles of Incorporation

As amended February 25, 1997

Dear Lakes Club Member:

Glenhaven Lakes Club is a non – profit, non – stock Washington Corporation whose members are the owners and purchasers of property at Glenhaven Lakes. Its purposes are to organize and sponsor social and recreational activities originally provided by the developers. The Lakes Club, together with the Covenants and Restrictions covering all Glenhaven Lakes property, will insure the continuation of the original character, natural beauty and community facilities of Glenhaven Lakes for your personal enjoyment and for the protection of your investment there.

This booklet contains the Articles of Incorporation and By – Laws of the Lakes Club, which establish the organization and procedures under which it operates, and the methods for enforcement of its rules, dues, and the Covenants and Restrictions. We sincerely hope that it will prove to be convenient and useful for you.

Your Board of Directors

KNOW ALL MEN BY THESE PRESENTS; That we, GLEN CORNING, MAKSHA W. SMITH, ABNER LUDTKE, A.J. HUTTON, JR., and LAWRENCE C. ANGELI, being residents of the State of Washington and citizens of the United States, each over the age of twenty – one years, and being desirous of forming a corporation under Chapter 24.04 of the Revised Code of Washington, authorizing non – profit corporations, do hereby associate ourselves to – gether for the purpose of forming a non – profit corporation; and do make, subscribe, execute and adopt, in triplicate, the following Articles of Incorporation:

ARTICLE I

NAME

The name of this corporation shall be Glenhaven Lakes Club.

ARTICLE II

The purposes for which this corporation is formed, and the same shall also be construed as powers of the corporation, are as follows:

1. To foster and maintain acquaintanceship and friendship among the members of GLENHAVEN LAKES CLUB, through social, sporting and recreational activities and event; and for these general purposes to purchase, accept or otherwise acquire, own and hold, construct, improve, develop, repair, maintain, operate, care for and/or dispose of parkways, playgrounds, open spaces and recreational areas, tennis courts, grounds, open spaces and recreational areas, tennis courts, beaches, floats, piers, clubhouses, swimming areas, bathhouses and in general community facilities appropriate for the convenience, entertainment, relaxation, use and benefit of its members.
2. To build, improve and maintain roadways, culverts, bridges and drainage areas and to provide for the improving, cleaning, and sprinkling of streets, and for collection and disposal of the street sweepings, garbage, ashes, rubbish and the like; to prevent and suppress fires, to

provide police protection, and to make and collect charges to cover the cost and expenses therefore.

3. To improve, light and/or maintain streets, roads, alleys, courts, walks, gateways, fences and ornamental features now existing or hereafter to be erected or created, and shelters, comfort stations and/or buildings and improvements ordinarily appurtenant to any of the foregoing; to improve, plant and maintain grass plots and other areas, trees and plantings within the lines of the street immediately adjoining or with the property hereinafter described or referred to.
4. To care for any lots and plots in said property, to kill, destroy and/or remove from any said lots and plots grass, weeds, rodents, predatory animals, and any unsightly or obnoxious thing; and to take any action with reference to such lots and plots as may be necessary or desirable in the opinion of the Board of Directors of said corporation, to keep the property clean and in good repair; to make and collect charges therefore.
5. To acquire by gift, purchase, lease or otherwise, and to own, hold, enjoy, operate, maintain, and to convey, sell, lease, transfer, mortgage and otherwise encumber, dedicate for public use and/or otherwise dispose of, real and/or personal property wherever situate.
6. To enforce liens, charges, restrictions, conditions and covenants existing upon and/or created for the benefit of parcels of real property over which said corporation has jurisdiction and to which said parcels may be subject to the extent that said corporation has the legal right to enforce the same, and to pay all expenses incidental thereto.
7. To pay the taxes and assessments which may be levied by any public authority upon any of the said property now or hereafter used or set apart for parks, parkways, playgrounds, open areas, tennis courts, beaches, community clubhouses, community club buildings, places of amusement and/or recreation areas, or upon such other recreation spaces wherever situate

as may be maintained for the general benefit and use of the owners of the lots in said property; to pay taxes and assessments levied by any public authority upon improvements upon any of said property or areas so used or set apart or maintained, and whether taxed or assessed as a part of said property or area or separately; and to pay taxes and assessments levied by any public authority upon any property which may be held in trust for said corporation.

8. To regulate and/or prohibit the erection, posting, pasting, or displaying upon any of said property of bill – boards and/or signs of all kinds and character; and to remove and/or destroy any such bill – boards or signs erected or maintained upon said property without the authority of said corporation as provided in such restrictions, conditions and covenants, as may affect said property or any portion thereof.
9. To appropriate, purchase, divert, acquire and store water from streams, water courses, wells or any other source, and to distribute the water so appropriated and acquired to its members for use upon the lands of said members and for domestic purposes; to acquire, own, construct, hold, possess, use and maintain such pumping plants, tanks, pipelines, reservoirs, ditches, buildings, roads, trails, and appliances, and such other property, including water rights and shares of stock in other corporations as said corporation may from time to time desire to acquire or purchase for furnishing and supplying water to its members; provided that this corporation shall not use or dispose of such water as a public utility, but solely for the use and benefit of its members and for the irrigation of lands and domestic and other useful and beneficial purposes.
10. To fix, establish, levy and collect annually such charges and/or assessments as may be necessary, in the judgment of the Board of Directors to carry out any or all of the purposes for which this corporation is formed.

11. To expend the moneys collected by said corporation from assessments and charges and other sums received for the payment and discharge of costs, expenses, and obligations incurred by said corporation in carrying out any and all of the purposes for which said corporation is formed.
12. Generally, to do any and all lawful things which may be advisable, proper, authorized and/or permitted to be done by said corporation under and by virtue of any restrictions, conditions, and/or covenants or laws affecting said property, or any portion thereof (including areas now or here – after dedicated to public use); and to do and perform any and all acts which may be either necessary for, or incidental to, the exercise of any of the foregoing powers or for the peace, health, comfort, safety and/or general welfare of owners of said property, or portions thereof, or residents thereon.
13. To have and enjoy all of the general powers of a non – profit corporation as are now or may hereafter be provided by the laws of the State of Washington.
14. Nothing contained in these Articles of Incorporation shall be construed as authorizing or permitting said corporation to own, manage or operate any real or personal property for profit. It is the intention and purpose that the business of said corporation shall not be carried on for profit either to itself or for the benefit of its members, and wherever it is authorized to collect charges or assessments it shall have no power or authority to use said charges or assessments except as necessary to cover the actual cost or expense of the act, duty, power or transaction performed.
15. To have one or more offices at such place or places, either within or without the State of Washington as the Board of Directors may from time to time determine or the business of the corporation require.

All of the foregoing purposes and powers are to be exercised and carried into effect for the purpose of doing, serving and applying the things above set forth for the benefit of all the plats of Glenhaven Lakes, Whatcom County, Washington, and any other areas adjacent thereto which hereafter may be developed as tracts and divisions of Glenhaven Lakes.

ARTICLE III

This corporation shall at all times hereafter be joint and mutual association of the above named incorporators, and such other persons as may hereafter be admitted to membership in accordance with the By – Laws of the corporation. Membership and certificate evidencing the same shall be inseparably appurtenant to tracts owned by the members, and upon transfer of ownership or contract for sale of any such tract, 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, conveyed in any manner other than in the manner herein set forth. In the event of the death of a member, the membership of said 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 such member until title shall be transferred or contracted to be transferred. The property in possession of this corporation shall be managed by the Board of Directors hereinafter mentioned and only alienated and disposed of in accordance with the By – Laws of the corporation. No member can acquire any interest, which will entitle him to a greater vote than any other member.

Upon dissolution of the corporation, the assets remaining after payment of debts shall be distributed to members on a pro rata basis according to the number of lots owned by the member.

ARTICLE IV

The number of directors of this corporation shall not be less than three (3). Subject to such limitation, the number of directors shall be fixed by the By – Laws, except as to the number of the first Board of Directors, which number shall be fixed by the Articles of Incorporation. The number of the first Board of Directors shall be five (5). The names and address of the directors in office at this time are:

M.P. MOSKAL, 2920 14TH PLACE SE AUBURN WA 98002

DELITE LARSON, 940 NW 61ST SEATTLE WA 98107

LLOYDE E. WHEELER, RT. 2, BOX 277 SEDRO WOOLLEY WA 98284

J. EVERETT HOWE, 2539 1ST AVE N SEATTLE WA 98109

MARCEL P. DONAIS, 14435 WOOD – RED RD REDMOND WA 98052

ROBERT W. PARENT, 702 N 83RD ST SEATTLE WA 98103

DAVID E. BAUNACH, 7232 MCDOUGAL AVE EVERETTE WA 98201

ARTICLE V

The Time of existence of this corporation shall be perpetual.

By – Laws

As amended through February 25, 1997

ARTICLE I

PURPOSES

Section 1. The corporation shall be conducted as a non – profit social and maintenance organization for the purposes set forth in the Articles of Incorporation and for the area of Whatcom County, Washington, described in Article II of the aforesaid Articles of Incorporation.

Section 2. The purposes for which this corporation has been created may be altered, modified, enlarged or diminished by the vote of two – thirds of the members, at an Annual Meeting or at any Special Meeting duly called for that purpose.

ARTICLE II

Membership

Section 1. The membership of the corporation shall consist of and be limited to the incorporators and the owners or purchasers of lots in the area described in Article II of the Articles of Incorporation. The use of club facilities shall be extended to member, immediate members of their family, and may be extended to tenants or lessees of members who occupy property in the above area, or guests of members, under such rules and regulations as the Board of Directors may prescribe.

Section 2. Membership shall be inseparably appurtenant to the lots owned or being purchased by the members, and upon the transfer of ownership or the making of a contract for the sale of any such, the membership appurtenant thereto shall be deemed to be transferred to the contract purchaser or grantee. No membership may be conveyed or transferred in any other way inter vivos. In the event of the death of a member, membership shall pass in the same manner and to the same persons, as does the real property itself.

Section 3. No member may withdraw except upon selling or entering into a written contract to sell the lot or lots to which each membership is appurtenant. Nevertheless, the privileges of membership

may be cancelled or suspended by action of the Board of Directors for non – payment of dues, failure to abide by the By – Laws, Articles of Incorporation, or rules and regulations promulgated by the Board of Directors.

In the event of the death of a member interstate, the membership shall pass in the same manner as real property. No compensation shall be paid by the corporation upon any transfer of membership and no member whose membership has been transferred shall be entitled to share in any of the property or assets of the corporation.

ARTICLE III

Meetings

Section 1. The Annual Meeting of the members shall be held in February of each year at a time and place to be designated by the Board of Directors. Notice of the time and place of all meetings of members shall be mailed to all members at their addresses as shown in the records of the corporation not more than 30 days nor less than 10 days before the time specified for such meeting. At such meeting, the members shall elect directors as herein provided, and transact such other business as may properly come before them.

Section 2. A Special Meeting of the members may be called at any time by the president, or a majority of the Board of Directors, or by the secretary upon receipt of written request signed by members owning at least 10 per cent of the lots within the jurisdiction of the corporation. Such request shall state the purpose for which such meeting is requested. Notice of a Special Meeting stating the purposes thereof shall be given by the secretary in the same manner as notice is given for Annual Meetings.

Section 3. At all Annual and Special Meetings of the members of the corporation, twenty members, present in person or by written proxy filed with the secretary at or before the meeting, shall constitute a quorum for the transaction of any business appropriate to a members meeting. In the absence of a quorum, any meeting of the members may be adjourned from time to time by vote of a

majority of those present, but no other business may be transacted. Members present at any duly called Annual or Special Meeting at which a quorum is originally present may continue to do business notwithstanding the withdrawal of members to the extent that less than a quorum may thereafter be present. A majority of the votes of the members constituting a quorum shall be sufficient to transact business unless a greater number of votes are required by law, the Articles of Incorporation, or these By – Laws with respect to some specified action.

Section 4. Members whose dues are paid or who otherwise are in good standing shall be entitled to cast one vote per membership and no more than one vote per membership regardless of the number of lots owned by the member. No person may hold more than one membership, except temporarily as personal representative of a deceased or incompetent person. The vote for any membership owned by a marital community may be cast by either spouse without presentation of authority from the other. The vote for any membership appurtenant to a lot or lots held or being purchased by more than one person under some form of joint or several ownership may be cast by any one of such persons upon presentation of written authority by proxy from the owners.

ARTICLE IV

Directors

Section 1. The corporate powers of this corporation shall be vested in and exercised by a Board of seven Directors elected for a three – year term, and until their successors are elected and qualified. A majority of votes cast is required for a member to be elected to the Board of Directors. At any Annual or Special Meeting of the members duly called for that purpose, the members may increase the number of Directors to not more than nine.

Section 2. In the event a Director can no longer qualify as an owner or purchaser of a lot and ceases to be a member, said Director shall thereupon also automatically cease to be a Director and this office shall become vacant without the necessity of any action by the Board, which shall nonetheless

spread that fact upon the minutes of its next meeting. Any vacancy occurring in the Board of Directors shall be filled by appointment by a majority of the remaining Directors. A Director appointed to fill a vacancy shall hold office until the next Annual Meeting of the members, at which time they shall elect a Director to fill the unexpired balance of the term, if any, or the office in which the vacancy occurred.

Section 3. Directors may be removed at any Annual Meeting or Special Meeting of the members called for that purpose for conduct deemed prejudicial to the corporation, provided that such Director shall have first been mailed written notice of accusations against said Director, and shall have been given opportunity to reply at the meeting at which vote is taken.

Three (3) consecutive absences or four (4) absences in a twelve month period from regular scheduled monthly meetings of the Board of Directors shall mean automatic removal.

Section 4. The Board of Directors shall meet at least once a month in each year, and shall hold the first meeting as feasible following the Annual Meeting of the members. Special Meetings of the Board may be called at any time by the secretary, the president, or a majority of the Board. The secretary shall give each Director notice personally, verbally, or by mail or telephone or wire of all regular and special meetings sufficient to enable such Director to attend, and in any case at least one day in advance. A written Waiver of Notice signed by the Director, whether before or after the time fixed in the required notice, or the presence of the Director at the meeting without formal objection on the ground of want of notice, shall be deemed the equivalent of the required notice for all purposes.

ARTICLE V

Powers and Duties of Directors

Section 1. Subject to any limitation in the Articles of Incorporation and these By – Laws, and the laws of the State of Washington, all the business and affairs of the corporation shall be controlled by the Board of Directors. Without prejudice to such general powers, and subject to the same limitations, it is hereby expressly agreed that the Directors shall have the following powers and duties.

Section 2. To elect and remove all the other officers, agents and employees of the corporation, prescribe such powers and duties for them as may be consistent with the laws of Washington, the Articles of Incorporation and these By – Laws, fix their compensation, if any, and require from them security for faithful performance.

Section 3. To cause to be kept a complete record of all minutes and acts and to present a full statement to the regular Annual Meeting of the members, showing in detail the condition of the affairs of the corporation.

Section 4. To fix the annual dues and assessments, if any, subject to approval of the membership of the members of the corporation as provided in Section 2 of Article III of the Declarations of Covenants and Restrictions, applicable respectively to the several Plats of Glenhaven Lakes, and as provided elsewhere in these By – Laws.

Section 5. To appoint for a one (1) year term, an Architectural, Planning and Zoning Committee of not less than three (3) nor more than five (5) members at the May Directors meeting, for the purpose of carrying out and enforcing the covenants, restrictions, terms and conditions of the certain Declarations of Covenants and Restrictions described in Section 4 of this Article V, and particularly the provisions of Article I, Sections 1 – 14 (or sections 1 – 18 where applicable) of Article II, Section 3 of Article III, and Section 2 of Article V of the aforesaid Declarations. At least two – thirds of the members of the Committee shall at all times be members of the corporation; and any other persons appointed to the committee shall be either architects or civil engineers duly licensed to practice as such by appropriate public authority. Members of the Board of Directors cannot serve on this committee. This shall be a Standing Committee, of which a majority shall constitute a quorum, and it shall meet upon the same notice, given by the same officers, as is required by Section 4 of Article IV of these By – Laws for Special Meetings of the Board of Directors.

Section 6. To do whatever may be necessary and proper for the enforcement of the provisions of the Declarations of Covenants and Restrictions described in Section 4 of this Article V, pursuant to Section 3 of Article V of the aforesaid Declarations.

Section 7. No Director may be a paid employee or receive compensation for services as an officer.

ARTICLE VI

Officers

Section 1. The Board of Directors, at its first meeting following the Annual Meeting of the members shall elect a president, vice – president, secretary and treasurer, who shall be incorporators or other members of the corporation, for terms of one year and until their successors are duly elected and qualified. The Board may also at any time appoint an executive secretary and/or assistant secretary and/or assistant treasurer, who need not have membership in the corporation, and whose terms of office shall coincide with those of the officers whom they assist.

Section 2. Any officer may be suspended or removed by a majority vote of all the Directors. Any vacancy occurring in an elective office shall, and any vacancy occurring in an appointive office, may be filled by the Board of Directors.

Section 3. Officers shall be reimbursed by the corporation for such reasonable expenses as they may necessarily incur in pursuance of the business of the corporation. The Board of Directors may authorize compensation for any officer not a member of the Board of Directors.

Section 4. Any officer, other than the president, may occupy two offices concurrently if the Board of Directors so desires.

ARTICLE VII

Duties of Officers

Section 1. The president shall act as chairman at all meetings of the members and preside at all meetings of the Board of Directors. The president shall sign as president all contracts or instruments for the corporation, and perform such other duties as may be required by the Board of Directors.

Section 2. The vice – president shall preside at all meetings in case of the absence or disability of the president, assuming all duties of the president during such periods of absence or disability, and shall perform such other duties as the Board of Directors may require.

Section 3. The secretary shall issue all notices and shall attend and keep the minutes of all meetings of the members and of the Board. The secretary shall have charge of all corporate books, records and papers and the corporate seal. The secretary shall attest with a signature and impress with the corporate seal all instruments executed for the corporation. The secretary shall perform all such other duties that are incidental to this office or as may be required by the Board of Directors.

Section 4. The treasurer shall receive, keep safely, and deposit in such bank or banks as may be designated by the Board of Directors all funds, securities and liquid assets of the corporation, in its name, and for its account. The treasurer shall disburse funds of the corporation only under the direction of the Board of Directors on checks signed by the treasurer and one other officer of the corporation. The treasurer shall keep full and accurate books of account and shall make such reports of the finances and transactions of the corporation as may be required by the Board of Directors, and shall prepare and present to the Annual Meeting of the members a full statement showing in detail the financial condition of the affairs of the corporation.

Section 5. The executive secretary and/or assistant secretary and/or assistant treasurer, if appointed by the Board, shall perform such duties as may be designated by it.

Section 6. All officers or other persons authorized to handle or disburse the funds of the corporation shall be bonded, at the expense of the corporation, in such amounts as the Board shall determine to be adequate for the protection of the corporation.

ARTICLE VIII

Dues

Section 1. For the purpose of financing the activities of the corporation, all lots within the jurisdiction of the corporation shall be charged a set rate per lot *as originally platted, each year, which shall be the member's dues. Such dues may be increased or decreased by the members at any Annual or Special Meeting, and shall remain at such figure until changed by the membership.

Section 2. The annual dues shall be due and payable on or before the 31st day of May next following the February meeting at which they have been fixed. Within one month from the date of that February meeting the treasurer shall cause a statement of the member's annual dues to be mailed to the member's address of record with the secretary. Any dues not paid within 90 days from due date shall thereafter be delinquent, and bear interest at the rate of 10% per year. Upon becoming delinquent, such dues shall constitute a lien upon the lot or lots owned by the member, and the corporation file at any time after such delinquency a notice of claim of lien against such member and lots owned by said member with the Auditor of Whatcom County, Washington. In such event, the member shall be responsible for the Auditor's filing fees, including payment of the filing fee for release of lien. A release of such lien shall be filed by the corporation upon payment in full of said dues and lien filing fees. Said lien may be enforced by the corporation as any lien upon real property under the law; and if said lien is foreclosed, the lot owner shall be liable for the costs and disbursements, including reasonable attorney's fees of the corporation, reasonable title search costs, all of which costs and disbursement shall be secured by such lien. Members shall nonetheless have personal liability for dues and said charges. Persons becoming members after dues are payable, whether by accepting a deed to, or by purchasing

under contract a lot to which unpaid dues and charges are allocated, shall be personally obligated to pay such dues and charges, including interest accrued thereon, and shall be subject to the enforcement provisions of this section.

ARTICLE IX

Miscellaneous

Section 1. Corporate Seal. The seal of the corporation shall be circular in form and shall contain the words “Glenhaven Lakes Club” and “Corporate Seal” and “Washington” and “1962”, in the form and style as hereinafter impressed upon these By – Laws.

Section 2. Membership Cards. A membership card signed by an officer or Director of the corporation shall be issued annually to each member of the corporation shall be issued current and who is otherwise in good standing, and individual cards shall likewise be so issued to the spouse and children of that member when requested.

Section 4. Amendment. These By – Laws may be amended by the vote of a majority of the members voting thereon after ten days written notice of the proposed amendment has been given to all members entitled to vote; provided further that if the proposed amendment does not originate from or is not submitted by the Board of Directors, that at least 30 days notice of the proposed amendment be first given to the Board of Directors or secretary.