

Articles Of Incorporation And Bylaws
of
Lake Margaret Community Purposes Club

ARTICLES OF INCORPORATION
OF
LAKE MARGARET COMMUNITY PURPOSES CLUB

Filed with the Secretary of State
May 20, 1960
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IN THE EVENT OF A SALE, THESE ARTICLES AND BY-
LAWS SHOULD BE PASSED ON TO THE NEW
OWNER/MEMBER, AND THE CORPORATION NOTIFIED
OF THE CHANGE OF OWNERSHIP.

**ARTICLES OF INCORPORATION
OF
LAKE MARGARET COMMUNITY PURPOSES CLUB**

KNOW ALL MEN BY THESE PRESENTS:

That we, DALE SAGE, FRANK J. VANHULLE, FRED E. CORNELIUS, JAMES O. MARTIN, WILLIAM R. HAUSSMAN, HAROLD E. ROTE, all citizens of the United States of America, do hereby associate ourselves together for the purpose of incorporation, and hereby incorporate under and conformable to the laws of the State of Washington relating to non-profit, non-stock corporations, and do hereby make, execute, adopt, publish and certify the following Articles of Incorporation, to-wit:

ARTICLE I

The name of this corporation shall be LAKE MARGARET COMMUNITY PURPOSES CLUB.

ARTICLE II

The purposes for which this corporation is formed and shall exist are as follows: to-wit:

1. To maintain and operate a non-profit and social club for the benefit of the present and future owners of each lot in the Plat of Lake Margaret, as recorded in Volume 60 of Plats, Pages 43 through 47, inclusive, Records of King County Auditor, hereinafter referred to as Lake Margaret, and for such purposes to lease, purchase, receive, acquire, own and hold any and all such real estate or interest therein as may be necessary, proper or convenient in carrying out such purposes.
2. To acquire, maintain, improve, alter and operate a private water system for the benefit of the present and future owners of each lot in Lake Margaret and, without in any wise limiting the generality of the aforesaid clause to do the following:
 - (a) to fix and establish a rate or charge to be collected from each present or future owner of any lot in Lake Margaret who becomes a member of this corporation, as provided in the Bylaws of the corporation;
 - (b) to determine the conditions, uniformly applicable to all members, under which water will or will not be provided to the lots, as provided in the Bylaws of the corporation.
3. To lease, purchase, receive, acquire, own and hold any and all such real estate or interest therein as may be necessary, proper, or convenient to carry out any purpose; to sell, mortgage, lease, transfer or convey in any manner dispose of real estate, improved or unimproved, and any facility or improvement there- on constructed, including a water system and all its component parts.
4. To lease, purchase, receive, acquire, own, hold and deal in, and to sell, mortgage, hypothecate, lease, transfer or in any manner dispose of all such personal property as may be necessary; or proper or convenient for any purpose, and to loan money belonging to the corporation and to take notes and mortgages and other securities therefor.
5. To borrow money on the credit of the corporation and to execute, issue and deliver its notes, bonds, coupons and other evidences of indebtedness therefor, and to mortgage, pledge or hypothecate any and all of the property of the corporation to secure said indebtedness.
6. To do any or all such acts and things as may be provided in the Bylaws and in the manner herein provided for the administration, advancement and protection of said residential district, the enforcement of the restrictions, covenants and conditions of Lake Margaret, and for the maintenance of a water system to provide water to each lot in the plat of Lake Margaret at cost to each owner .

7. To take any actions, including the filing and foreclosing of liens, required to assess and collect the following charges: annual, membership fees, water fees, and special assessments as provided in the Bylaws.

ARTICLE III

The duration of this corporation shall be in perpetuity.

ARTICLE IV

1. The principal place of business of the corporation shall be Duvall, King County, Washington, or other such principal place of business, within King County, Washington, as may be provided in the Bylaws. The registered office of the corporation shall be _____
2. The registered agent of the corporation shall be _____ at the same address. The registered office and registered agent may be changed by duly adopted resolutions of the Trustees.

ARTICLE V

This corporation shall have no capital stock. The membership of the corporation shall be as set forth in the Bylaws and shall be restricted to owners or purchasers of lots within the Plat of Lake Margaret. The interest of each member shall be equal to that of any other. Except as expressly provided in the Bylaws, no member, can or shall acquire any interest which shall entitle him or her to any greater vote, voice or authority in the corporation than any other member. The Bylaws may provide that a member's right to vote may be suspended indefinitely for failure to pay assessments, charges, or fees, or for failure to comply with the provisions of the Articles of Incorporation and Bylaws of this corporation, or the Restrictions, Covenants and Conditions of Lake Margaret, all as in effect now or hereafter amended.

ARTICLE VI

Membership and certificates evidencing the same shall be inseparably appurtenant to each lot owned by the members in the Plat of Lake Margaret, and upon the transferring of ownership or contract for sale of any 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 a 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 for 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 representatives of such deceased member upon appointment and qualification as such in a judicial proceeding, and such personal representatives shall have all of the rights, privileges and liabilities of the deceased member until title shall be transferred or contracted to be transferred.

The obligations, rights and liabilities of each member subject to the above provisions shall be governed by the Bylaws of the corporation as established from time to time.

ARTICLE VII

The number of trustees of this corporation who shall manage its affairs shall be not less than five (5) nor more than nine (9).

COUNTY OF KING) Don Lance

On this 22nd day of August, 1982, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jean Labusohr and Don Lance, to me known to be the President and Secretary respectively of the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Lynn K. Mitchell

Notary Public in and for the State of Washington, residing at Duvall.

**BYLAWS
OF
LAKE MARGARET COMMUNITY PURPOSES CLUB**

The name of this corporation is and shall be LAKE MARGARET COMMUNITY PURPOSES CLUB and for convenience may be referred to hereinafter as the "corporation."

The objects of this corporation, as set forth in its Articles of Incorporation, its affairs and administration and its government shall be executed and maintained In accordance with these Bylaws.

ARTICLE I

Membership

Section 1. The membership of the corporation shall consist of and be limited to the owners or purchasers of lots within the Plat of Lake Margaret, Volume 60 of Plats, Pages 43 through 47, inclusive, Records of King County Auditor. Each member shall have one membership, regardless of the number of lots so owned or purchased, provided, however, that each member who is the sole owner or purchaser of more than one lot shall have ar1 additional vote for each lot owned by him or her up to but not exceeding four lots, and save as herein provided, the interest of each member shall be equal to that of any other member, and no member can acquire any interest which shall entitle him or her to any greater vote, voice or authority in the corporation than may be acquired by any other member. A right to acquire title under a contract executed by husband and wife or under a contract executed by more than one purchaser or a title vested in husband and wife or title vested in more than one owner shall, for the purposes of this section, entitle all said persons to but one vote for each lot up to but not exceeding four lots. A purchaser under a contract of purchase shall be deemed to be an owner for membership purposes. A lot or lots held as community property shall be entitled to one membership and the certificate of membership shall be issued to the husband and wife jointly as one member and shall be entitled to one vote.

Appurtenant Membership

Section 2. Except as hereinbefore otherwise provided and as declaratory of the foregoing, no membership shall be voted unless represented by the owner or purchaser as afore-described of an individual lot or lots to which it is and shall be inseparably appurtenant.

Membership Appurtenant to Land

Section 3. Membership and certificates evidencing the same shall be inseparably appurtenant to lots owned by the members in said Plat of Lake Margaret, 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 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 for redemption. In the event of a 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 or contracted to be transferred.

Cessation of Membership

Section 4. No member may withdraw except upon transfer of title to the real property to which his membership is appurtenant, as herein provided. No compensation shall be paid by the corporation upon any transfer of membership and no member whose membership is transferred shall be entitled to share or participate in any of the property or assets of the corporation.

Suspension of Voting

Section 5. No member shall be entitled to vote if the member has failed, within 30 days after notification of delinquency, to pay any assessment, fee, or charge duly assessed to members in accordance with the Articles of Incorporation or Bylaws, nor shall the member be entitled to run for or hold office as a trustee or officer of the corporation. The office of a trustee or officer who loses his right to vote under this section shall automatically become vacant. Vacancies created under this section shall be filled in accordance with Article III, Section 7 of these Bylaws.

ARTICLE II

Dissolution

In the event of the dissolution of the corporation, each person who is then a member shall receive his pro rata proportion of the property and assets after all of its debts have been paid.

ARTICLE III

Trustees and Officers

Number of Trustees

Section 1. Corporate powers of the corporation shall be vested in a Board of Trustees. The number of trustees who shall manage the concerns of the corporation shall be nine (9). At any annual meeting or any special meeting called therefor the members may by amendment to this Bylaw, increase or decrease the number of trustees to any number not more than nine (9) or less than five (5).

Election and Term of Office

Section 2. After the term of the first Trustees as stated in the Articles of Incorporation, three (3) trustees shall be elected each year, to serve for a term of three (3) years. To fully establish this procedure, a trustee may be elected to serve for a term less than three (3) years. The term of a trustee appointed pursuant to Section 7 below to fill a vacancy in the Board of Trustees shall be as set forth in Section 7.

Qualifications

Section 3. Each trustee shall be: (1) a member and who shall (2) not have lost his right to vote by reason of his having disposed of the land to which his membership is appurtenant, and shall not have lost his or her right to vote under Article I, Section 5 of these Bylaws because delinquent in paying any assessment, fee, or other charge duly assessed to members.

Vacancy of Office

Section 4. In the event a trustee ceases to be the owner of the land to which his membership is appurtenant, or of a contract for the purchase thereof, or the trustee loses his or her right to vote under Article I, Section 5 of these Bylaws, the trustee shall thereby cease to be a trustee and his office shall become vacant upon written notification without action other than to spread such fact

upon the minutes of the Board of Trustees. Any trustee may be removed by a majority vote of the members attending in person or represented by proxy at a special meeting of the members called for the purpose of considering the trustee's removal.

Election of Officers

Section 5. At the first meeting of the Board of Trustees after each annual meeting of the members, the Board of Trustees shall organize by the election of a president, vice president, secretary and treasurer, each of whom must be a trustee. The Board may also at any time appoint an executive secretary and/ or an assistant secretary and/or an assistant treasurer. Neither the executive secretary, the assistant secretary nor assistant treasurer need be a member of the Board of Trustees. Officers of the corporation so elected shall hold office for the term of one year and until their successors are qualified. Any officer may be suspended or removed by a majority vote of all of the trustees.

Salaries

Section 6. No trustee or officer, except the executive secretary and/or the assistant secretary and/or the assistant treasurer shall receive any salary or compensation from the corporation.

Vacancies

Section 7. a. Any vacancy occurring in the Board of Trustees shall be filled by an appointment by a majority of the remaining trustees. The person so appointed shall hold office until the next regular meeting of the members of the corporation, at which annual or adjourned annual meeting the vacancies for the remainder of the original term, if any, shall be filled by election by the members in the regular manner.

b. Any vacancy occurring in an officer's position shall be filled by a majority vote of the trustees as soon as possible after the vacancy occurs. The officer so elected shall hold office until the next regular election of officers is held. Only trustees shall be eligible to fill a vacant office.

ARTICLE IV

Meetings

Members Annual Meetings: Notice

Section I. Annual meetings of the members of the corporation shall be held at the principal place of business of the corporation or at such other place as the Board of Trustees may elect. The annual meeting shall be held on the First Saturday of June of each year at 10:00 o'clock a.m. Notice thereof shall be given by the secretary by mailing notices to each member not less than ten (10) days nor more than fifty (50) days prior to the date of the meeting.

Members Special Meetings: Notice

Section 2. Special meetings of the members may be called at any time by the president or a majority of the Board of Trustees or by members representing ten percent of the lots within the jurisdiction of the corporation. Notice of a special meeting, stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be given by the secretary by mailing such notice to each member not less than ten (10) days nor more than fifty (50) days prior to the date on which such meeting is to be held. At such special meeting no business shall be transacted other than that mentioned in the call.

Quorum: Members' Meetings

Section 3. At all annual and special meetings of the members, twenty percent of all of the members of the corporation, in person or represented by proxy without regard to the number of votes the members hold, shall constitute a quorum for the transaction of business. Each member shall be entitled to vote the number of votes these Bylaws entitle that member to vote.

Trustees' Special Meetings: Notice

Section 4. Special meetings of the Board of Trustees shall be called at any time by the secretary on order of the president or of a majority of the Board of Trustees. The secretary shall give each Trustee notice, personally, verbally, by mail or by telephone, of all regular and special meetings at least one day previous thereto.

Proxies

Section 5. A member may vote by written proxy executed in writing or by his or her duly authorized attorney-in-fact. The proxy must be delivered to the secretary at least five (5) days prior to the date the meeting will be held. No proxy shall be valid for a period of more than eleven (11) months, unless otherwise provided in the proxy. A proxy may be revoked at any time by a written notice of revocation delivered to the secretary prior to the meeting at which the vote will be taken. Receipt of a written ballot for a member for election of a trustee shall revoke a member's proxy for the vote for which the written ballot is received.

ARTICLE V

Power and Duties of Trustees

Powers

Section 1. The trustees shall have all powers conferred upon trustees as directors of a non-profit corporation by the laws of the State of Washington; and they shall exercise the management and control of the business and affairs of the corporation as provided by law and by the Bylaws of the corporation and any amendments thereof, and they shall have, among others, the following powers:

Rules and Regulations Contracts

Section 2. To conduct, manage and control all affairs and business of the corporation, and to make and enforce rules and regulations therefor, and to incur such expense as may be deemed proper in the administration of its affairs and to authorize execution of contracts and obligations on behalf of the corporation.

Improvements and Maintenance Properties, Utilities

Section 3. To do any and all acts and things in the maintenance, operation and replacement of any and all property and facilities of the corporation, including but not limited to such private water system as the corporation may own. The trustees may refuse to provide access to the corporation's facilities, including the water system, to or for any member if either of the following applies:

- a. The member is more than 30 days delinquent, after mailing of notice of delinquency, in the payment of any charge for the use of the facility, including but not limited to the water system and access to it; or
- b. The member has failed to remedy any defect, or failed to follow any provision of the Articles of Incorporation, Bylaws or rules and regulations of the corporation within thirty (30) days after mailing of the notice of violation of the applicable provision or existence of the defect.

The Board of Trustees may direct any action which is necessary on an emergency basis to immediately protect the health of the members or the corporation's ability to provide water to members.

Any notice sent in accordance with this Section 3 shall be deemed mailed when sent, postage prepaid, to the member at the member's address as listed in the corporation's records.

Rates and Charges

Section 4. To operate, maintain, repair and replace such capital improvements, structures, and facilities, including a private water system, as the corporation may own and each component or necessary part or portion thereof, and in connection therewith to do the following things, among others:

- a. To establish in a reasonable and uniform manner rates and charges for water service and as a portion thereof to bill and collect from the owner of each lot a fixed monthly service charge (covering readiness to serve expense) regardless of whether or not any water is consumed on or at said lot, and in addition thereto to charge for the amount of water consumed on or at any said lot in excess of a stated quantity as established from time to time, to require the owner of each lot in advance of water service to pay a connection charge for connection with the principal main servicing each lot and to require the owner of each lot to pay for a metering device, provided devices are required for all lots.
- b. To incur expenditures, outlay and expenses for the above purposes as may be deemed by the Board of Trustees to be proper or necessary and to provide for all liabilities of whatsoever character which may arise in connection with the maintenance, operation and replacement of all properties and facilities of the corporation, including but not limited to a private water system, and to establish reasonable charges to be paid by the members in order to defray the liabilities of the corporation. Such charges shall include, but not be limited to, an annual membership fee and special assessments.

Limitations on Powers of Trustees

Section 5. The trustees shall have no power to erect a building or facility on any land owned by the corporation, or to substantially alter or extend any water system owned by the corporation without the affirmative vote of 60% of the members of the corporation, said vote to be taken at any regular or special meeting of the corporation.

Prior to any such meeting, either general or special, the secretary under the relevant provision for notice of meeting shall give written notice to each member, which notice shall specify in general terms any proposal of the trustees to improve or erect any building or facility on land owned by the corporation, or to substantially alter or extend any water system owned by the corporation.

Enforcement of Restrictions

Section 6. To take such action as may be deemed by them to be proper for the enforcement of any and all of the conditions, limitations and restrictions set forth in any contracts of sale or conveyance from the common grantor of all of the lots within the Plat of Lake Margaret; to interpret and enforce any and all protective restrictions, conditions, covenants and reservations imposed upon any of said lots.

Restrictions on Issuance of Certificates of Membership

Section 7. To issue certificates of membership only to owners or purchasers of lots hereinbefore described, subject to such conditions of transfer as are hereinafter set forth in Article VII hereof.

Taxes

Section 8. To pay all taxes and assessments lawfully assessed against the properties owned or held by the corporation.

Record

Section 9. To cause to be kept a complete record of all their minutes and acts and of the proceedings of the members and Board of Trustees and to present a full statement to the regular annual meeting of members showing in detail the condition of the affairs of the corporation, including liabilities incurred, and an estimate of the budget deemed by them to be required for the ensuing year for the purpose of the improvement, maintenance, and protection of the properties of the corporation and of the administration of its affairs.

ARTICLE VI

Duties of Officers

President

Section 1. The President shall preside at all meetings of the trustees and members. The President shall sign as President all certificates of membership and all contracts or other instruments in writing authorized by the Board of Trustees; shall call special meetings of the trustees or of the members whenever the President deems it necessary; shall have and exercise under the direction the Board of Trustees the general supervision of the affairs of the corporation; and shall countersign all checks signed by the treasurer.

Vice President

Section 2. In the absence or incapacity of the President, the Vice President when present shall have all the power and perform all of the duties of the President. In the absence of both the President and the Vice President the Board of Trustees may elect one of its number as temporary Vice President, who shall have all the power, and perform all of the duties of the President.

Secretary

Section 3. The Secretary shall keep records of all of the proceedings and meetings of the Board of Trustees and of the members. The Secretary shall keep the books of certificates of membership, fill out and countersign all certificates issued, and make the corresponding entries on the stubs thereof upon such issuance. The seal of the corporation shall be in his or her custody. The Secretary shall countersign all instruments and conveyances required to be signed by the President and shall affix the seal wheresoever required. The Secretary shall serve all notices required either by law or the bylaws of the corporation, and

in case of his absence, inability or refusal so to do, then such notices may be served by any person thereto directed by the President of the corporation.

Assistant Secretary. An Executive Secretary and/or Assistant Secretary, if appointed by the Board of Trustees, shall perform such duties as may be designated by it.

Treasurer

Section 4. It shall be the duty of the Treasurer to keep safely all monies and securities of the corporation and disburse the same under the direction of the Board of Trustees. The Treasurer shall cause to be deposited all funds of the corporation in a bank selected by the Trustees. The Treasurer shall only pay the same out on check signed by the Treasurer and countersigned by the President or Vice President or such other officers of the corporation as may be authorized by the Board of Trustees from time to time. At each annual meeting of the members and at any special meeting if so required, and at any time directed by the trustees he or she shall present a full statement showing in detail the condition of the affairs of the corporation, including liabilities incurred.

Assistant Treasurer. An Assistant Treasurer, if appointed by the Board of Trustees, shall perform such duties as may be designated by it.

Section 5. In the event that the Trustees so direct, a Trustee, other than the President, may occupy one or more offices described at the same time, that is concurrently.

ARTICLE VII

Certificates of Membership and Transfer

Certificates and Transfer

Section 1. Certificates of membership in the corporation shall be in substantially the following form:

No. Certificate of Membership Lot
in
Lake Margaret Community Purposes Club
A non-profit corporation of
the State of Washington

THIS CERTIFIES that

is the owner of Lot No.

in the Plat of Lake Margaret, recorded in Volume 60, at Pages 43 through 47, inclusive, Records of King County Auditor, and as such is a member of Lake Margaret Community Purposes Club, a non-profit corporation, organized under the laws of the State of Washington, and by virtue thereof is entitled to all the rights and privileges and subject to the liabilities conferred and imposed by its Articles of Incorporation and subject to its Bylaws and any amendments thereof, and by acceptance of this certificate the holder thereof accepts the said Articles of Incorporation and Bylaws and as hereafter shall be amended, and agrees to be bound hereby. This certificate is inseparably appurtenant to the land above described and may be transferred only in the manner provided in the bylaws.

Dated this _____ day of _____ 19__.

LAKE MARGARET COMMUNITY PURPOSES CLUB

Attest:

Secretary

President

Issuance and Record of Certificate

Section 2. Such certificates shall be issued over the signature of the President and the Secretary, with the official seal of the corporation affixed. The certificate book shall contain a margin, on which shall be shown the number, date, name of the member, and description of the land set forth in the corresponding certificate.

Transfer Certificates Appurtenant to Land

Section 3. All memberships and certificates evidencing same shall be inseparably appurtenant to the lot, lots or fractional lots owned by the holders thereof and upon sale or contract to sell such memberships and such certificates shall become the property of the grantee or purchaser as hereinbefore provided. No transfer of membership shall entitle the transferee to vote the same until it has been established to the satisfaction of the secretary that such transfer is bona fide and has been made in the manner provided.

Certificates Need Not Be Issued

Section 4. Unless specifically requested by the owner and holder thereof, it shall not be necessary that certificates of membership be actually issued but any owner or purchaser of a lot or lots within the said residential district may exercise all of the rights and privileges and shall be subject to all of the liabilities of membership without the actual issuance and possession of such certificate of membership.

ARTICLE VIII

Access to Water System

With regard to the Rules and Regulations of the Water System of Lake Margaret Community Purposes Club, any owner of property within the Lake Margaret Community Purposes Club boundaries desiring water from the said Community Purposes Club water tank or system, shall:

1. Make application in writing to the Lake Margaret Community Purposes Club.
2. Be a member of the Lake Margaret Community Purposes Club, and have executed a Declaration of Covenant in the form attached hereto as Exhibit A binding the applicant's real property to the Articles of Incorporation, Bylaws, Rules and Regulations of Lake Margaret Community Purpose Club.
3. Upon acceptance, pay the following charges:
 - a. Costs of water hook-up;
 - b. Connection fee as determined by the Board of Directors at the time of connection;
 - c. Any delinquent assessment against member's real property.

ARTICLE IX

Seal

The corporation shall have a corporate seal bearing thereon the following words:

LAKE MARGARET COMMUNITY PURPOSES CLUB

INCORPORATED

SEAL

SEATTLE, WASH.

ARTICLE X

Amendments

These Bylaws may be amended or adopted at any time by a vote thereof of a majority of the members of the corporation present in person or represented by proxy at a meeting at which changes to the bylaws are, after proper notice to the members, considered, or by a majority vote of the board of trustees. For this and all other purposes of the Board of Trustees, five (5) members of the board shall constitute a quorum.

ARTICLE XI

Consideration For Conveyances

The provisions of these bylaws as the same now are or may be hereby amended constitute and are hereby made a part of the consideration for the conveyance by Lake Homes, Incorporated, a Washington corporation, to this corporation of the following described real property and any improvements thereon, i.e. Lots 71 and 115 (unimproved and dedicated to the use of residents within the Plat of Lake Margaret), and lot 85 (improved with a water tower, piping, pump and mains) of the Plat of Lake Margaret as recorded in Volume 60 of Plats at Pages 43 through 47, inclusive, and a bill of sale conveying to this corporation of water mains and other component parts of a water system designed to service the Plat of Lake Margaret.

ARTICLE XII

Restrictions, Covenants and Conditions

Lake Homes, Incorporated, has imposed valid subsisting restrictions, covenants and conditions on each lot in the Plat of Lake Margaret. These restrictions are uniform to each lot within said plat.

Lake Homes, Incorporated, has made and executed a written irrevocable consent, stating in substance that said corporation will alter, amend or revoke anyone or more of all said covenants, conditions and restrictions upon the delivery to it of a certificate signed by the President and the Secretary of this corporation, certifying that a majority vote of the members of this corporation has resolved to alter, amend or revoke anyone or more of all said covenants, conditions and restrictions.

The restrictions, covenants and conditions imposed upon each lot within the Plat of Lake Margaret shall be subject to revocation, alteration or amendment from time to time provided that a majority vote of all the members of this corporation shall so resolve at any annual or special meeting.

ARTICLE XIII

In the event that (1) any member brings suit against the corporation, or (2) the corporation brings suit against any member or members to enforce any provision of the Articles of Incorporation, these Bylaws, any duly enacted rule or regulation enacted pursuant to these Bylaws, the Restrictions, Covenants and Conditions or Declarations of Covenant, or to foreclose any lien or to collect any fee or charge assessed against any member in accordance with the Articles of Incorporation or Bylaws, and (3) the corporation prevails such suit, then the member or members bringing the suit or against whom the suit was brought shall pay the corporation's reasonable attorneys' fees and costs of suit.

SIGNED AND SEALED this 22nd day of August, 1982

Attest:

Don Lance
Secretary

Mr. Jean R. Labusohr
President

Lynn K. Mitchell
Notary

EXHIBIT A

DECLARATION OF COVENANT

KNOW ALL MEN BY THESE PRESENTS: That I (We), the undersigned owner in fee simple of the land described, herein declare this covenant and place the same on record.

I (We), the Grantor herein, is (are) the owner in fee simple of the following described real estate situated in KING County, State of Washington, to-wit:

LOT/S _____

Plat of LAKE MARGARET, as recorded in Volume 60 of Plats, pages 43 through 47 inclusive, in King County, Washington.

NOW, THEREFORE, the Grantor of himself, herself (themselves), his, her (their) heirs, successors and assigns, agree that the above-described real estate shall be subject to the charges and assessments as provided for in, and for the purpose set forth in the ARTICLES OF INCORPORATION, BY-LAWS and AMENDMENTS of the LAKE MARGARET COMMUNITY PURPOSES CLUB, a non-profit and non-stock WASHINGTON corporation and that said corporation shall have a lien against the above-described real estate for said charges and assessments; and, in addition to the remedies set forth in said ARTICLES OF INCORPORATION, BY-LAWS and AMENDMENTS, that if said charges and assessments levied by said corporation shall not be paid with four (4) months after they shall become due and payable, then said corporation may proceed by appropriate action to foreclose its lien together with such sum as the court may adjudge reasonable attorney's fees and cost in such action.

The Grantor further agree that said described real A property shall be subject to the ARTICLES OF INCORPORATION, BY-LAWS and AMENDMENTS of LAKE MARGARET COMMUNITY PURPOSES CLUB, as presently constituted and hereafter amended in all respects.

WITNESS ___-hand ___-this ___day of ____, 19-.

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

STATE OF WASHINGTON)

) SS.

COUNTY OF _____)

On this day personally appeared before me _____ to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that _____ signed the same as _____ free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 19__.

Notary Public in and for the State of _____, residing at _____.

My Commision Expires: _____

RESTRICTIONS, COVENANTS & CONDITIONS of LAKE MARGARET

Each lot, except when specified, shall be used for dwelling purposes only, and no lot shall be used for any commercial purpose or brick and mortar business of any kind whatsoever, including but not limited to dance hall, store, non-owner-occupied vacation rental, or amusement resort, nor shall any boat be permitted to be kept for public rental, and no lot shall be used for public parking of vehicles. Nothing herein shall prohibit a small home-based business that operates online, by telephone, or correspondence.

No public dock or boat house shall be erected upon any lot. No recreational vehicle, basement, tent, shack, garage, barn or other outbuilding erected on any lot shall at any time be used as a permanent residence, nor shall any structure of a temporary character be used as a permanent residence.

No building, structure or residence of any kind or nature whatsoever shall be erected on any residential lot within 20 feet of the front street line of any lot or within 5 feet of the sidelines of any said lot.

No dock, pile or other structure shall be constructed, erected or maintained which shall extend more than half way from the shore line of any lot which fronts upon any estuary or tributary of Lake Margaret, or any stream which flows into or from Lake Margaret (including waters impounded by damming any of the above-described waters), and in no event shall any such dock, pile or other structure be of a length of more than 25 feet from the shore line. The right to construct, erect or maintain any dock, pile or other structure is by permission only, and in no event shall any such structure be suffered or permitted to be maintained when any such described structure on any lot shall impede navigation on any of the described waters in any manner whatsoever. The owner of any given lot shall take due account, from time to time of the erection, maintenance and construction of any dock, pile or other structure on the waters herein described by the owner of adjoining property, to the end and purpose that navigation shall not be impeded.

No poultry or livestock of any kind shall be kept or maintained on any lot within 50 feet of the road frontage or within 10 feet of the sidelines of any said lot. No poultry or livestock shall be kept or maintained on Lots 1 to 115, inclusive, Lake Margaret.

No owner of any said lot shall use, maintain or run, or suffer or permit any craft or boat to be used on Lake Margaret which is powered by a combustion engine, nor shall any boat or craft be used for racing or for the purpose of water skiing or surfboarding, nor shall any boat or craft be run at a speed that creates a wake.

No sewage disposal system on any lot shall be constructed, erected or maintained, unless the same shall be in strict accordance with the specifications of the King County Health Department, Building Department or other government authority having jurisdiction and power in the premises. The subdivision of any lot shall comply in every respect with the King County Building, Zoning and Use ordinances as now or hereafter constituted. The seller (grantor) does hereby reserve the right to alter, amend or revoke anyone or more or all, of the covenants, conditions and restrictions

above set forth, and the purchaser (grantee) does for themselves, their heirs, executors, administrators, assigns and successors in interest expressly ratify, approve, and accept such reservation of rights in the seller (grantor) by the execution of the within and foregoing contract, The restrictions, covenants and conditions herein set forth are imposed as covenants, conditions and restrictions running with the land embraced in the Plat of Lake Margaret, and each lot contained in said plat of Lake Margaret.

Plat Restrictions No lot or portion of a lot in this plat shall be divided and sold or resold or ownership changed or transferred whereby the ownership of any portion of this plat shall be less than that required for the use district in which located.

REV. 2023

Document Marked: 5187455 Quit Claim Deed, Corporate Form, FILED for Record at request of Lake Homes, Inc, P.O. Box 433 Lynnwood, WN, Washington Title Insurance Company, Seattle, Washington. Stamped: Vol 4064 Page 483 Request Of 1960 Aug 2 PM 3:23 <unreadable> Auditor, King Country Washington <unreadable signature>

Form L57R

Quit Claim Deed

(CORPORATE FORM)

THE GRANTOR

LAKE HOMES INCORPORATED

For and in consideration of
conveys and quit claims to

One Dollar {\$1.00} and other good and valuable consideration
LAKE MARGARET COMMUNITY PURPOSES CLUB, a non-profit corporation

the following described real estate, situated in the County of **King**
State of Washington including any interest therein which grantor may hereafter acquire:

One {1} concrete structure containing the gate for lake level control, Plat of Lake Margaret, recorded in Volume 60 of Plats, on Pages 43 through 47, inclusive, together with the land on which the same is situated, including that portion situate on the bed of Lake Margaret. Said structure is located at a point approximately 85 feet North of the center of N.E. 195th Street, as laid out in the Plat of Lake Margaret, and approximately 85 feet East of the West boundary of Lot 174, Plat of Lake Margaret.

This deed covers said structure, the access walkway thereto and supporting structure extending from N.E. 195th Street, Plat of Lake Margaret, North to said structure.

The within named Grantee shall, as provided in its corporate minutes, maintain and repair the aforesaid structure and shall be solely liable for any loss, injury or damage arising from its ownership and possession thereof.

IN WITNESS WHEREOF, said corporation has caused this instrument to be executed by its proper officers and its corporate seal to be hereunto affixed this 29th day of July, 1960.

By president Original is Signed

By Secretary Original is Signed

Document has seal E395588

STATE OF WASHINGTON,

County of King

On this 29th day of July, 1960, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared

Denis G. Riches and William L. Dafoe

to me known to be the President and Secretary, respectively, of Lake Homes, Incorporated

the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that

they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Original is Signed
Notary Public in and for the State of
Washington residing at

Document marked 5187454 Quit Claim Deed (Corporate Form) FILED for Record at Request Lake Homes, Inc, P.O. Box 433, Lynnwood, WN. Washington Title Insurance Company Seattle, Washington. Stamped Recorded Vol 4064 Page 482 Request of 1960 Aug 2 PM 3 23 (unreadable)

Form L57R

Quit Claim Deed

(CORPORATE FORM)

THE GRANTOR LAKE HOMES, INCORPORATED

for and in consideration of One Dollar(\$1 00)and other good and valuable consideration conveys and quit claims to LAKE MARGARET COMMUNITY PURPOSES CLUB,a non-profit corporation, the following described real estate, situated in the County of KING

State of Washington including any interest therein which grantor may hereafter acquire: Lots 71 and 115, Plat of Lake Margaret, as recorded in Volume 60 of Plats, Pages 43 through 47, inclusive, Records of King County Auditor, as delineated on the face of said plat; subject, however, to the dedication of rights in the bed of Lake Margaret to the public.

The conveyance hereby made to the grantee is subject to the permanent covenant and condition that each said lot is for the sole, exclusive use and benefit of the present and future owners of Lots 116 to and including 198, Plat of Lake Margaret, recorded in Volume 60 of Plats, Pages 43 through 47, inclusive, Records of King County Auditor, their guests and invitees, heirs, executors, administrators, assigns, grantees and successors in interest, and each said lot shall be used only as a park or recreation area, as aforesaid. This deed is made subject to the restrictions contained and set forth in Exhibits A and B hereto attached and by reference thereto made a portion hereof.

The Grantee does hereby accept this conveyance subject to all the conditions and covenants herein set forth.

IN WITNESS WHEREOF, said corporation has caused this instrument to be executed by its proper officers and its corporate seal to be hereunto affixed this day of July 1960.

LAKE HOMES, INCORPORATED,

By President Original is Signed

By Secretary Original is Signed

Document has seal E395587

STATE OF WASHINGTON,

County of King

On this, 29th day of July 1960, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared

Denis G. Riches and William L. Dafoe

to me known to be the President and Secretary, respectively, of Lake Homes, Inc.

the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Original is Signed
Notary Public in and for the State of
Washington residing at Seattle

Quit Claim Deed

(CORPORATE FORM)

THE GRANTOR LAKE HOMES, INCORPORATED,

for and in consideration of One Dollar (\$1.00) and other good & valuable consideration

conveys and quit claims to LAKE MARGARET COMMUNITY PURPOSES CLUB, a non-profit corporation

the following described real estate, situated in the County of King

State of Washington including any interest therein which grantor may hereafter acquire:

Lot 185, plat of Lake Margaret, as recorded in Volume 60 of Plats, on pages 43 through 47, inc., Records of King County Auditor, together with any and all improvements thereon. This deed shall likewise convey and embrace all the component parts of a water system which is presently constructed on the aforesaid lot and the machinery thereof, the mains, pipe and valves and the whole of said system which is presently installed on the aforesaid Plat of Lake Margaret, and which is situate in or upon the land, excluding, however, any pipe, valves, mains or fittings which are installed in or situate upon any lot embraced in the plat of Lake Margaret.

IN WITNESS WHEREOF, said corporation has caused this instrument to be executed by its proper officers and its corporate seal to be hereunto affixed this day of July 1960.

LAKE HOMES, INCORPORATED,

By President Original is Signed

By Secretary Original is Signed

Document stamped No Sales Tax (illegible) E395589 (unreadable)

STATE OF WASHINGTON,

County of King

On this day of July 1960, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared

Denis G. Riches and William L. Dafoe

to me known to be the President and Secretary, respectively, of Lake Homes, Inc.

the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purpose, therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written

Original is Signed _____
Notary Public in and for the State of
Washington residing at Seattle

