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AMENDED
ARTICLES OF INCORPORATION
OF
COTTAGE LAKE BEACH CLUB
(A Nonprofit Corporation)

The undersigned, SHELLY L. DAMRON, CHARLES CUSHING, KAREN POMERINKE, BEVERLY WARHOL, DEBBIE PARENT, RICHARD BRAMAN, and BLAINE ROBERTS, being over twenty-one years of age, and for the purpose of forming a not-for-profit corporation under the non-profit laws of the State of Washington, RCW 24.03, hereby certify and adopt the following Articles of Incorporation.

ARTICLE I

Name

The name of this corporation shall be COTTAGE LAKE BEACH CLUB.

ARTICLE II

Duration

The duration of this corporation shall be perpetual.

ARTICLE III

Purposes

The purpose of this corporation is to administer the plat restrictions contained in the Protective Covenants running with land of the residential real estate development known as Cottage Lake Beach Club (as recorded in Volume 80 of Plats, pages 5 and 6, records of King County, State of Washington), which restrictions are found in King County Auditor's File No. 6045732. This includes the supervision and maintenance of Tract A of the Cottage Lake Beach Club for park and recreational uses for the mutual benefit of the owners of all lots in the Cottage Lake Beach Club plat.

Further, and by way of explanation and not limitation, this corporation assumes and shall perform each and every obligation imposed on the COTTAGE LAKE BEACH CLUB OWNERS' COMMITTEE by the protective provisions of the plat above recited, in accordance with that certain written agreement made and entered into on the 31st day of January 1971, by and between OSBERG CONSTRUCTION COMPANY, COTTAGE LAKE BEACH CLUB, a

Washington not-for-profit corporation, the latter of which was incorporated on January 29, 1971, and administratively dissolved on May 15, 1985.

ARTICLE IV

Internal Affairs of the Corporation

The internal affairs of the corporation shall be regulated pursuant to the provisions of the Washington Nonprofit Corporation Act, RCW 24.03, and the provisions of the bylaws as they shall be adopted by the directors.

ARTICLE V

Membership

The corporation shall be a membership corporation without certificates or shares of stock. Every person or entity who is a record owner, whether one or more persons or entities, of a fee simple title to any lot which is included in what is known as "Cottage Lake Beach Club," an addition to King County, Washington, as recorded in Volume 80 of Plats, pages 5 and 6, records of King County, shall be a member of the corporation. In the case of a lot sold on a real estate contract or some other transfer in which the contract seller or transferor retains a record ownership, but only for the purpose of security for the performance of an obligation, then the contract vendee or transferee shall be considered the "owner" and "member" under this Article. Each lot in the above-described plat shall be entitled to one vote on all matters submitted to vote by the membership, including the election of directors. Membership shall be inseparably appurtenant to lots owned by the members, and upon transfer of ownership or contract for sale of any such lot, membership shall automatically be deemed to be transferred by operation of law to the grantee or contract purchaser. No membership may be transferred, assigned or conveyed in any manner other than as authorized by the Bylaws of the corporation or these Articles.

ARTICLE VI

Limitation of Liability of Directors:

Indemnification

Section 1. Limitation of Liability of a Director. Except to the extent otherwise required by applicable law (as it exists on the date of the adoption of this Article, or as may be amended from

time to time), no present or future director of the corporation shall be personally liable to the corporation or its members for monetary damages for any conduct as a director occurring after the date of the adoption of this Article. No amendment to or repeal of this section shall adversely affect any right or protection of a director of the corporation with respect to any acts or omissions of such director occurring after the date of the adoption of this Article and prior to such amendment or repeal of this section.

Section 2. Indemnification of Directors and Officers. The corporation shall indemnify any director (as that term is defined in RCW 23A.08.025, as presently in effect and as hereafter amended) or officer of the corporation, who is involved in any capacity in a proceeding (as defined in RCW 23A.08.025, as presently in effect and as hereafter amended) by reason of the position held by such person or entity in the corporation, to the full extent allowed by applicable law, as presently in effect and as hereafter amended; PROVIDED, HOWEVER, that the corporation shall only indemnify a director or officer seeking indemnification in connection with a proceeding (or a part of a proceeding) initiated by such person, if such proceeding or part of a proceeding was authorized by the Board of Directors or if such proceeding or part of a proceeding was brought by a director or officer to enforce a claim for indemnification under this section and a court or an arbitrator determines that the director or officer is entitled to all of the relief claimed.

Section 3. Indemnification of Employees and Agents. By means of a resolution or of a contract specifically approved by the Board of Directors, the corporation may indemnify an employee or agent to such degree as the Board of Directors determines to be reasonable, appropriate, and consistent with applicable law and to be in the best interests of the corporation.

Section 4. Notice. Any indemnification of a director in accordance with this Article shall be reported to the Board of Directors (and to the members to the extent required by applicable law) in a written report describing the proceeding and the nature and extent of such indemnification.

Section 5. Advances. Reasonable expenses incurred by a director or officer who is involved in any capacity in a proceeding (as defined in RCW 23A.08.025, as presently in effect and as hereafter amended) by reason of the position held by such person or entity in the

corporation, shall be advanced by the corporation to the full extent allowed by applicable law, as presently in effect and as hereafter amended; PROVIDED that the director or officer shall first promise in a writing delivered to the corporation to repay all amounts advanced by the corporation in the event that it is later determined that such director or officer is not entitled to be so indemnified. Reasonable expenses incurred by an employee or agent who is involved in any capacity in a proceeding (as defined in RCW 23A.08.025, as presently in effect and as hereafter amended) by reason of the position held by such person or entity in the corporation may be, but is not required to be, advanced by the corporation prior to the final disposition of such proceeding to the full extent allowed by applicable law, as presently in effect and as hereafter amended; PROVIDED, HOWEVER, that the corporation shall not advance any such funds unless the employee or agent promises in a writing delivered to the corporation to repay all amounts advanced by the corporation in the event that it is later determined that such employee or agent is not entitled to be so indemnified.

Section 6. Insurance. The corporation may purchase and maintain insurance on behalf of any person who is a director, officer, employee, or agent of the corporation, or is serving at the request or consent of the corporation as an officer, employee, or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against any liability incurred by such person because of such person's status, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Article. In addition, the corporation may enter into contracts with any director or officer of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest, or use other means (including without limitation a letter of credit) to insure the payment of such amounts as may be necessary or desirable to effect the indemnification and advances contemplated in this Article.

Section 7. Designation of Counsel. The Board of Directors of the corporation shall have the right to designate the counsel who shall defend any person or entity who may be entitled to indemnification, to approve any settlement, and to approve in advance any expense.

Section 8. Consistency with Applicable Law; Survival of Benefits. The right to indemnification and limitation of liability conferred by this Article shall be interpreted to conform with, and shall not create any right that is inconsistent with, applicable law as presently in effect and as hereafter amended. To the full extent allowed by applicable law (as presently in effect and as hereafter amended), the right to indemnification and limitation of liability conferred by this Article shall continue as to a person who has ceased to be a director and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 9. Nonexclusivity of Rights. The rights conferred in this Article shall not be exclusive of any other rights which any person may have or acquire under any applicable law (as presently in effect and as hereafter amended), the Articles of Incorporation, the Bylaws of the corporation, a vote of the Board of Directors or the members of the corporation, or otherwise.

ARTICLE VII

Registered Agent and Office

The name of the Registered Agent of the Corporation shall be: DAVID F. VAN BERKEM. The street address of the Registered Office, which is also the address of the Registered Agent, is as follows:

18221 – 102nd Avenue NE
Bothell, WA 98011

The post office box number, which may be used in conjunction with the Registered Agent address, located in the same city, is:

P.O. Box 804
Bothell, WA 98041

ARTICLE VIII

Initial Board of Directors

There shall be seven (7) directors serving as the initial Board of Directors. Their names and addresses are as follows:

Shelly L. Damron
19120 NE 168th Street
Woodinville, WA 98072

Charles Cushing
18900 NE 168th Street
Woodinville, WA 98072

Debbie Parent
18823 NE 165th Place
Woodinville, WA 98072

Richard Braman
16550 191st Place NE
Woodinville, WA 98072

Karen Pomerinke
18911 NE 168th Street
Woodinville, WA 98072

Beverly Warhol
16559 189th Avenue NE
Woodinville, WA 98072

Blaine Roberts
18930 NE 168th Street
Woodinville, WA 98072

ARTICLE IX

Incorporators

The names and addresses of the incorporators of this corporation are:

Shelly L. Damron
19120 NE 168th Street
Woodinville, WA 98072

Charles Cushing
18900 NE 168th Street
Woodinville, WA 98072

Debbie Parent
18823 NE 165th Place
Woodinville, WA 98072

Richard Braman
16550 191st Place NE
Woodinville, WA 98072

Karen Pomerinke
18911 NE 168th Street
Woodinville, WA 98072

Beverly Warhol
16559 189th Avenue NE
Woodinville, WA 98072

Blaine Roberts
18930 NE 168th Street
Woodinville, WA 98072

ARTICLE X

Distribution of Net Assets

In the event that the corporation is dissolved, the net assets of the corporation are to be distributed pro rata to the then current members.

IN WITNESS WHEREOF each incorporator has affixed his/her signature on this _____ day of _____, 1989.

Shelly L. Damron

Charles Cushing

Debbie Parent

Richard Braman

Karen Pomerinke

Beverly Warhol

Blaine Roberts

CONSENT TO APPOINTMENT AS REGISTERED AGENT

I, DAVID F. VAN BERKEM, hereby consent to serve as Registered Agent in the State of Washington for the corporation herein named. I understand that as agent for the corporation, it will be my responsibility to receive Service of Process in the name of the corporation; to forward all mail to the corporation; and to immediately notify the Office of the Secretary of State in the event of my resignation or of any change in the Registered Office address of the corporation for which I am agent.

DATED this _____ day of _____, 1989.

David F. Van Berkem

Original Bylaws

BYLAWS

of

COTTAGE LAKE BEACH CLUB

A Washington Nonprofit Corporation

ARTICLE I

Object and Definitions

1.1 Purpose. The purpose of this corporation shall be as provided in the Restated Articles of Incorporation.

1.2 Assent. All present and future owners, or any other person using the facilities of COTTAGE LAKE BEACH CLUB in any manner, are subject to the rules and regulations of COTTAGE LAKE BEACH CLUB (hereinafter referred to as "CLBC"). The acquisition of any of the lots in CLBC shall constitute ratification of these Bylaws, the corporation's Articles of Incorporation, and CLBC's Rules and Regulations.

1.3 Definitions. Unless otherwise specified, all terms contained in these Bylaws shall have the same meaning as such terms have in CLBC's Restated Articles of Incorporation and protective covenants.

ARTICLE II

Membership; Voting

2.1 Membership. Membership shall be as provided in the Restated Articles of Incorporation.

2.2 Members Owning More Than One Lot. If a person owns more than one lot, that person shall have one vote for each lot owned.

2.3 Register of Members. The Board of Directors of CLBC shall cause a register to be kept containing the names and addresses of all members of CLBC. Members of CLBC who sell or convey their interest in a lot shall promptly report to the Board of Directors the name and address of their successor. Persons claiming membership in CLBC shall, upon request, furnish the Board of Directors with a copy of any documents under which they assert ownership of a lot, or any interest therein. The Board of Directors may require that owners supply the Board of Directors with copies of any security instruments affecting ownership or title of their respective lot.

2.4 Voting Representative. There shall be one "voting representative" for each lot. The voting representative shall be designated by the owner or contract purchaser of each lot by written notice to the Board of Directors. This power of designation may be exercised by an owner's legally appointed guardian or personal representative.

2.5 Restrictions/Limitations of Usage of Tract A. Use of Tract A, as described according to the Plat of Cottage Lake Beach Club Addition to King County, or any of the facilities thereon, shall be restricted and limited to those members who timely pay dues, charges and assessments, as provided for in said Plat, CLBC's Restated Articles of Incorporation and these Bylaws. This restriction on use shall not in any way limit the right of CLBC to enforce the collection of dues, assessments, levies and other duly created obligations.

ARTICLE III

Meetings of Members

3.1 Place. Meetings of the members of CLBC shall be held at such place as may be convenient to the membership and as designated from time to time by the Board of Directors.

3.2 Annual Meetings. The annual meeting of CLBC shall be held during January of each calendar year, on the third Saturday of said month, at such place and time as may be determined by the Board of Directors. At such annual meeting, the members shall elect a Board of Directors or fill vacancies in the Board in accordance with provisions of these Bylaws, and there shall be considered such other business as may come before the meeting.

3.3 Special Meetings. Special meetings of the members may be called by the President or by the Board of Directors. Special meetings of the members may also be called at the request of members having one-twentieth ($1/20$) of the votes entitled to be cast at such meeting.

3.4 Notice of Meetings. Written or printed notice stating the place, day and hour of the annual meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary, or the officers or persons calling the meeting, to each member entitled to vote at such meeting.

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 corporation, with postage thereon prepaid.

3.5 Quorum. The attendance of members or voting representatives holding ten (10) per cent or more of the total votes entitled to be cast shall constitute a quorum for the transaction of business at any meeting of members of CLBC, except as otherwise provided by law.

3.6 Adjourned Meetings. If any meeting of the members cannot proceed because a quorum is not in attendance, the members and voting representatives present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, and those who attend such a subsequent meeting, although holding less than ten (10) per cent of the total vote, shall nevertheless constitute a quorum for the purpose of said meeting.

3.7 Proxies. A member may vote in person or by proxy executed in writing by the member or his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. No member shall hold or vote more than ten (10) proxies; PROVIDED, HOWEVER, that the Board of Directors as a whole may vote as many proxies by a majority vote of the Board as have been executed in the Board's favor. An acceptable proxy form shall be:

PROXY

The undersigned, being a member of COTTAGE LAKE BEACH CLUB, hereby appoints _____, or if such person cannot for any reason be present at such meeting, then _____, to act as my proxy at the _____ meeting of members of COTTAGE LAKE BEACH CLUB to be held on _____, at _____ o'clock, ____ .m., or on such date as the meeting may be adjourned to, to vote in my stead on any matter coming before the meeting.

If I can attend the meeting personally, I have the right to revoke this proxy and vote on all matters myself.

DATED: _____.

(Signature)

(Name Printed)

Lot No. _____

3.8 Majority Vote. Except as otherwise provided by statute, by recorded protective covenants, by the Articles of Incorporation as most recently amended, or by these Bylaws, passage of any matter submitted to vote at a membership meeting or adjourned membership meeting duly called, where a quorum as defined by these Bylaws is in attendance, shall require the affirmative vote of more than fifty (50) per cent of the voting power present in person or by proxy.

3.9 Order of Business. The order of business at meetings of the membership shall be as follows, unless dispensed with by motion, and shall be observed as far as practicable and consistent with the purposes of the meeting:

- (a) Call of the meeting to order
- (b) Statement of notice of meeting or waiver of notice
- (c) Presentation of proxies
- (d) Announcement that a quorum is present
- (e) Reading and approval of the minutes of the previous meeting
- (f) Reports, if any, of officers
- (g) Reports, if any, of committees
- (h) Election of directors, if the meeting is an annual meeting or a meeting called for that purpose
- (i) Consideration of the specific purpose or purposes for which the meeting has been called (other than the election of directors), if the meeting is a special meeting
- (j) Transaction of such other business as may properly come before the meeting
- (k) Adjournment

3.10 Voting for Election of Directors. At each election for directors, every lot entitled to vote at such election shall have the right to one vote, in person or by proxy, for each director position to be filled. There is to be no cumulative voting.

ARTICLE IV

Board of Directors

4.1 In General. All corporate powers shall be exercised by or under authority of, and the business and affairs of CLBC shall be managed under the direction of, a board of seven (7) directors. Without limiting the foregoing, the Board of Directors shall have the power to take all such action as may be necessary to effectuate Article III of CLBC's Restated Articles of Incorporation regarding corporate purpose, and Article IV of CLBC's Restated Articles of Incorporation regarding dues, charges and assessments. In addition, the Board of Directors shall have the power to make rules

and regulations for the government and management of the affairs of CLBC and its property.

4.2 Number, Tenure and Qualifications. The number of directors of CLBC shall be seven (7), all of whom shall be members of CLBC. Each director shall hold office for two (2) years and until his or her successor shall have been elected and qualified. The two-year term described herein shall not include any part of a term in which that member has served the unexpired term of his/her predecessor in office. Any board member may serve two (2) consecutive two-year terms of office, but shall not be eligible for reelection to a third or additional term of office until the expiration of two (2) years from the expiration of his/her most recent term of office. Directors must be voting members of CLBC. Each director position shall be assigned a number, chosen at random, from one to seven. Director positions 1, 3, 5 and 7 shall be filled in odd numbered years and director positions 2, 4 and 6 shall be filled in even numbered years.

4.3 Vacancies. Vacancies on the board shall be filled by vote of the majority of the remaining board members, even though they may constitute less than a quorum; and each person so elected shall serve out the term of the board member being replaced.

4.4 Removal of Board Members. At any duly convened meeting of the Board of Directors of the corporation, called expressly for the purpose of removing one or more directors of CLBC, directors may be removed with or without cause upon the affirmative vote of a majority of the other directors then in office. In addition, at any annual meeting of the members of CLBC, or at any duly convened special meeting of the members of CLBC called expressed for the purpose of removing one or more directors of the corporation, directors may be removed with or without cause upon the affirmative vote of those members holding two-thirds (2/3) or more of the votes cast at that meeting, in person or by proxy, by those members who have voting rights with regard to the election of any director. Notice of such proposed removal must be given to the director proposed to be removed prior to any meeting at which the question is to be voted upon. At such meeting the director or directors under consideration shall have an opportunity to be heard, if they choose to attend such meeting, but in the event of their non-attendance at such meeting, the right to be heard shall be deemed waived.

4.5 Meeting of Newly Elected Board. The first meeting of a newly elected Board of Directors shall be held immediately following the adjournment of the membership meeting at which they are elected, and no prior notice of such meeting to the newly elected board members shall be required.

4.6 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly on the second Wednesday of each month, or as otherwise determined by a majority of the Board of Directors at the preceding regular meeting.

4.7 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or a majority of the board members then in office.

4.8 Notice of Special Meetings. Notice of the time and place of any special meetings of the Board of Directors shall be given by the Secretary or the persons calling the meeting by mail, or by personal communication by telephone or otherwise, at least two (2) days in advance of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage prepaid.

4.9 Waiver of Notice. Before, at or after any meeting of the board, any board member may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a board member at any meeting of the board shall be a waiver of notice by him of the time and place thereof. If all board members are present at any meeting of the board, no notice shall be required and any business may be transacted at such meeting.

4.10 Quorum. At all meetings of the board, attendance of a majority of board members shall constitute a quorum for the transaction of business, and the act of the majority of the board members present at a meeting at which a quorum is present shall be the act of the board. If at any meeting of the board there be less than a quorum present, the majority of those present will adjourn the meeting.

4.11 Minutes. Minutes shall be kept of all meetings of the directors and shall be reduced to writing, signed by the secretary or other appropriate officer, and placed in the corporate minute book.

4.12 Executive Sessions. All business of the Board of Directors conducted at its regular meetings or special meetings shall be open to all members, except the following business may, at the discretion of the Board of Directors, be conducted at an executive session which shall be limited to members of the Board of Directors and such other persons as may be invited by the board to attend:

- (a) The appointment, election or removal of an officer, director, or employee of CLBC, and/or hearings regarding charges brought against such officer, director, or employee, unless such officer, director, or employee requests an open

meeting. The Board of Directors may exclude from any such open meeting or executive session, during the examination of a witness on any such matter, any or all other witnesses in the matter being investigated by the Board of Directors.

(b) Receipt of and deliberations over legal advice from the corporation's attorney.

The purpose of any executive session shall be announced prior thereto. No minutes shall be taken, except that any decision reached in the executive session shall be set forth in the minutes for the next regular meeting of the Board of Directors.

4.13 Actions by Written Consent. Any corporate action required or permitted by the Restated Articles of Incorporation, Bylaws, or the laws under which this corporation is formed, to be voted upon or approved at a duly called meeting of the Board of Directors, may be accomplished without a meeting if unanimous consent of the respective directors, setting forth the action so taken, shall be signed by all of the directors.

4.14 Meetings by Telecommunication. Members of the Board of Directors may participate in their meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation in a meeting by such means shall constitute presence in person at such meeting.

ARTICLE V

Officers and Standing Committees

5.1 Number. The officers of CLBC shall consist of a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary and a Treasurer. Any two or more offices may be held by the same person, except the offices of President and Secretary.

5.2 Election and Term of Office. The officers of CLBC shall be elected annually by the Board of Directors at the first meeting of the Board of Directors that is convened following the membership's annual election of directors. Subject to Section 5.3 of these Bylaws regarding removal of officers, each officer shall serve for a period of one (1) year, or until that officer's successor is elected and is qualified. Vacancies in any office may be filled by the Board of Directors at any regular meeting of the board or at any special meeting of the board called for that purpose.

5.3 Removal of Officers. At any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors

called for such purpose, and upon an affirmative vote of a majority of the members of said board, any officer may be removed, with or without cause, and his/her successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose.

5.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term. The filling of any such vacancies shall be by the affirmative vote of a majority of the members of the Board of Directors.

5.5 President. The President must be elected from one of the persons already elected to the Board of Directors. The President shall supervise all activities of the corporation and preside at all meetings of the directors and members; he/she shall sign all contracts or other instruments authorized by the Board of Directors; he/she shall call special meetings of the directors or of the members whenever he/she deems it necessary; and he/she shall have and exercise under the direction of the Board of Directors the general supervision of the affairs of the corporation and perform such other duties usually inherent in such office. The President shall also have the power to appoint ad hoc committees from amongst the membership, such as he/she may in his/her discretion decide is appropriate to assist in the conduct of the affairs of CLBC. The President shall also have all such other powers as may be provided in these Bylaws.

5.6 Vice President. The Vice President shall preside at all meetings in the absence of the President, and in case of the absence or disability of the President, shall perform all other duties of the President which are incidental to the office of the President. Additionally, the Vice President shall have primary responsibility to supervise and see to the maintenance of Tract A (as described herein) and shall make recommendations to the Board of Directors regarding maintenance, preservation or improvement of Tract A.

5.7 Secretary. The Secretary shall keep the minutes of meetings of the Board of Directors and minutes of membership meetings; he/she shall have charge of such books and papers as the Board may direct; he/she shall have responsibility for communicating with the CLBC membership (e.g., newsletters or notices); and shall in general perform all the duties incident to the office of Secretary.

5.8 Treasurer. The Treasurer shall have responsibility for the safekeeping of all moneys and securities of CLBC and shall disburse the same under the direction of the Board of Directors. He/she shall cause to be deposited all funds of CLBC in a bank selected by the Board of Directors. The Treasurer shall issue and

present a full statement, showing in summary and in detail the condition of the affairs of the corporation, at the end of each fiscal year prior to the annual meeting, and at any other time directed by the Board of Directors. The Treasurer shall keep a record of the names and addresses of all voting members and shall have primary responsibility for the dissemination of billing invoices to members and the collection of dues. The Treasurer shall also monitor the status of dues payments by members, and at the direction of the Board of Directors, shall take such steps as are necessary to enforce collection of dues, including the filing of liens.

5.9 Standing Committees. The following committees shall be formed:

(a) Covenant Enforcement. With the advice and consent of the Board, the President shall appoint any CLBC member to chair a Covenant Enforcement Committee. This committee shall be the focal point for handling disputes, complaints or problems arising in the CLBC regarding covenant enforcement or other potential neighborhood nuisances. The committee should normally initially approach the alleged offender in an attempt to raise the allegation and negotiate a peaceful compromise. Litigation should be a last resort. Where time is of the essence, the Board has the authority to bring suit to enforce covenants. Otherwise, the Board should bring suit only after approval of the membership at an annual or special meeting of the members.

(b) Activities. With the advice and consent of the Board, the President shall appoint any CLBC resident to chair an Activities Committee. This committee shall recommend various social, recreational, educational, fund raising or other activities to be undertaken by CLBC and shall serve as the arm for carrying out all such activities approved by the Board.

(c) Other. With the advice and consent of the Board, the President may appoint any CLBC member or resident to chair any committee deemed useful in the discretion of the Board and the President.

ARTICLE VI

Tract A Rules

In order to provide for the safe and enjoyable use of Tract A by all members at the Cottage Lake Beach Club, all members, their guests, and all persons using Tract A shall comply with the following rules:

6.1 Rules Restricting Usage of Tract A.

(a) Tract A is for the exclusive use of members of the Cottage Lake Beach Club, their families and guests.

(b) If a member of Cottage Lake Beach Club rents or leases his house in the Beach Club, the renter or lessee, upon application by the member to the Board of Directors, has all the privileges and obligations with respect to the use of Tract A as the member.

(c) Guests of members may use Tract A only when accompanied by the member or the member's family.

(d) Members are completely responsible for the behavior of their family and guests, and are liable for any damage caused by them.

(e) Both gates must be kept locked at all times except during the actual process of loading or unloading.

(f) Proof of membership must be furnished upon request of any member. A key to Tract A normally is sufficient proof.

(g) Every member is entitled to a key to the main gate of Tract A; additional keys may be provided subject to availability. A key to the boat gate will be provided to members after filing a request to the Board of Directors stating their reasons. A deposit of \$10 will be required for each key; the deposit will be returned upon return of the key to the Board.

(h) All users of Tract A must share in keeping Tract A clean and free of hazards.

(i) The Board of Directors reserves the right to suspend all privileges for the use of Tract A from any member whose dues are not paid for any prior year.

6.2 Rules Governing Children and Minors.

(a) A child under twelve (12) years of age may use Tract A only when accompanied by an adult or by a minor over twelve (12) years of age who has been designated by the parent as responsible for the child (e.g., a babysitter). (Rules of membership apply.)

(b) Minors may use Tract A after 10:00 p.m. only when accompanied by an adult. (Rules of membership apply.)

(c) A minor is entitled to no more than one guest at a time.

6.3 Rules Governing Group Functions.

(a) No group may have exclusive use of Tract A for any reason.

(b) A member who wishes to have exclusive use of Tract A cabana and the area immediately around it for a group function must secure permission in advance from the Board member who maintains the Tract A Calendar.

(c) A member who wishes to have a function of any kind at Tract A with a group of more than 25 people must secure permission in advance from the Board member who maintains the Tract A Calendar.

(d) No group function may exceed one day.

(e) Group functions of any kind must make such arrangements as necessary to avoid infringing on the limited parking space in the area of Tract A.

(f) Group functions are responsible for clearing away all trash (including any trash left by someone else) and depositing it in the large trash containers that are emptied by the trash service.

(g) The member organizing a group function is responsible for seeing that all the rules governing the use of Tract A are obeyed by all members of the group.

(h) To secure permission for a group function, a member must sign a statement of agreement to abide by the rules.

(i) The Board of Directors reserves the right to require a deposit of \$25.00 for permission for a group function. This deposit will be refunded after verification that all rules have been met.

(j) The Board of Directors reserves the right to deny permission to a group that has previously failed to obey the rules.

6.4 Rules Promoting Safety in Tract A.

(a) No animals are allowed in Tract A.

(b) No bicycles are allowed in Tract A except in specified areas.

(c) No motor vehicles are allowed in Tract A except with approval of the Board of Directors.

(d) No running or pushing is allowed on the dock.

(e) No glass containers are allowed on the dock or within 25 feet of the water line.

(f) No boats are allowed in the swimming area. Inflatable boats and rafts are exempt from this rule. The swimming area is defined as the area between the dock, the beach and the floating dock.

(g) No fishing is allowed in the swimming area.

(h) No one may dive or jump off the slide.

(i) No overnight camping is allowed in Tract A.

(j) No team may use Tract A for the practice of any sport.

(k) No activity may jeopardize the safety or health of anyone else, or otherwise interfere with the rights of members to use Tract A.

(l) Members, families and guests swim at their own risk.

6.5 Enforcement.

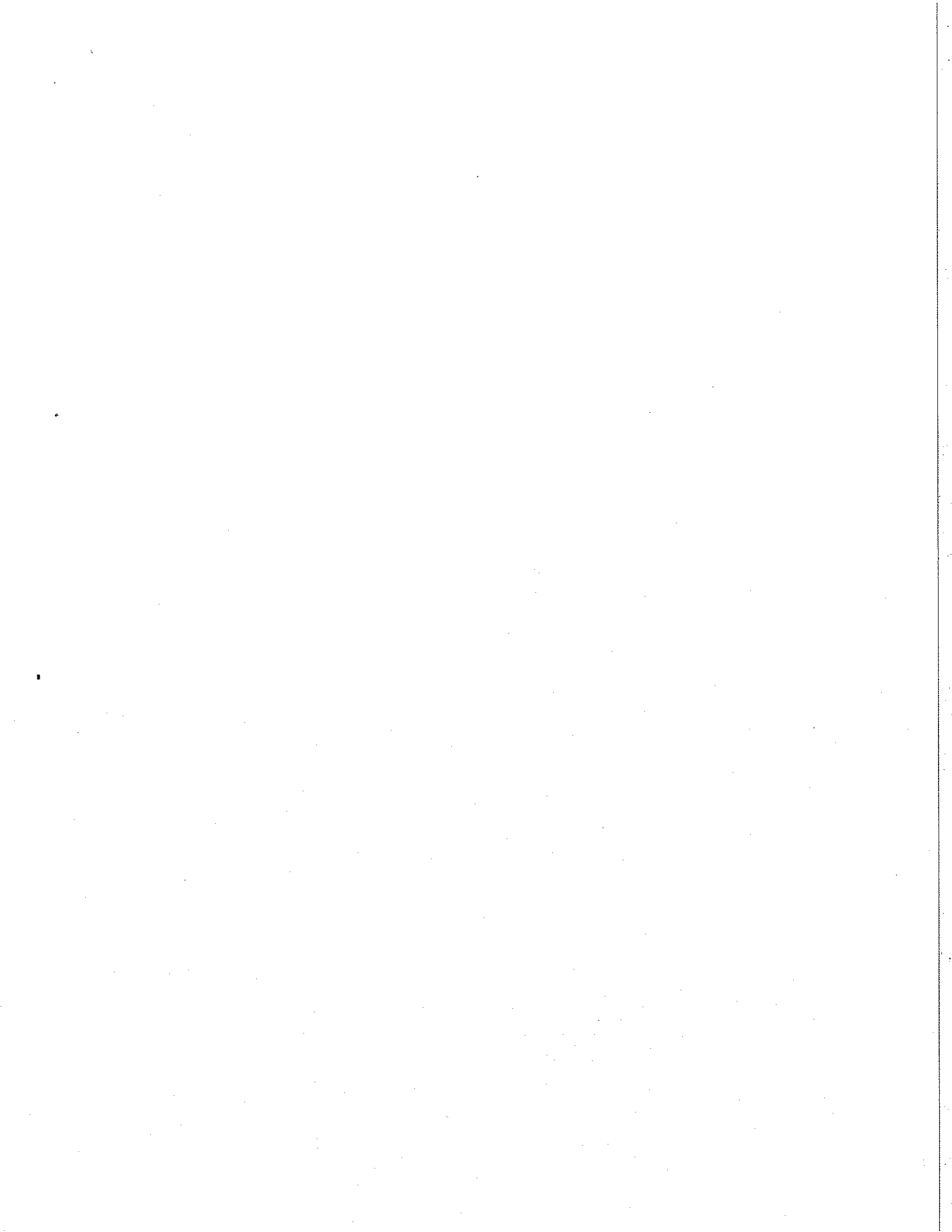
(a) If a member finds any person violating the above rules, he or she is authorized to instruct that person to obey the rules.

(b) If upon instruction to obey the rules, a person continues to violate the rules, a member may report the incident in writing to the Board of Directors, identifying the person alleged to be in violation, and describing the violation.

(c) Upon receipt of such a report, the Board of Directors or a subcommittee thereof shall investigate the incident to determine the facts of the matter.

(d) Upon determination that a person has in fact persisted in violating the above rules, the Board of Directors shall seek to gain agreement by that person to obey the rules. Upon failure to obtain such agreement,

(1) if that person is a member or the family of a member, the Board of Directors may



suspend the privileges of the member to use Tract A or may impose such other penalties as it deems likely to achieve adherence to the rules;

(2) if that person is not a member or the family of a member, the Board of Directors may charge that person with criminal trespass, or may impose such other penalties as it deems likely to achieve adherence to the rules.

ARTICLE VII

Dues and Assessments

7.1 Dues and Assessments--Generally. As provided in the Plat of Cottage Lake Beach Club Addition to King County and the Restated Articles of Incorporation, all members of CLBC shall be liable for the payment of:

- (a) Annual dues or charges; and
- (b) Special assessments for capital improvements.

The annual dues and charges and special assessments, together with interest, costs and reasonable attorney fees shall be a charge upon each lot and shall be a continuing lien upon the property against which such dues, charges and assessments are made. All such dues, charges and assessments, together with interest, costs and a reasonable attorney's fee, shall also be the personal obligation of the person who was the owner at the time when the dues, charges or assessments fell due. The personal obligation for delinquent dues, charges and assessments shall not pass to his/her successors in title unless expressly assumed by them; provided, however, that in the case of a sale of any lot which is charged with the payment of dues, charges or assessments, the person or entity that is the owner immediately prior to the date of any such sale, contract or assignment shall be personally liable only for the amount of the installments falling due prior to said date. The new owner or contract purchaser shall be personally liable for installments which become due on or after said date.

7.2 Purpose of Dues, Charges and Assessments. The dues, charges and assessments levied by CLBC shall be used solely to accomplish the purposes and objectives of the corporation, as stated in Article III of its Restated Articles of Incorporation.

7.3 Payment of Annual Dues. The annual dues shall be payable by the first day of April of each calendar year, unless otherwise authorized by the Board of Directors in writing.

7.4 Special Assessments. Special assessments may be rejected by a vote of the members of CLBC, as provided in Article IV of CLBC's Restated Articles of Incorporation.

7.5 Effect of Nonpayment of Dues, Charges and Assessments; Remedies of CLBC. Any dues, charges or assessments which are not paid when due shall be considered delinquent and shall bear interest from the date of delinquency at the rate of twelve (12) per cent per annum. CLBC may bring an action at law against the member personally obligated to pay the same and/or may foreclose the lien against the subject lot, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the dues, charges or assessments provided for herein by nonuse of Tract A or abandonment of his lot.

7.6 Uniform Rate of Assessment. Both regular dues and charges and special assessments shall be fixed at a uniform rate for all lots subject to assessment. However, the Board may establish incentives, payment plans, reasonable late fees, etc., in its discretion so long as such provisions are available and enforceable in a uniform manner.

ARTICLE VIII

Fiscal Year

The fiscal year of the corporation shall be January 1 to December 31.

ARTICLE IX

Amendment of Bylaws

These Bylaws may be amended, repealed or altered, in whole or in part, by the Board of Directors, by a majority vote of said board, at any regular Board of Directors meeting or at any special Board of Directors meeting called for that purpose; PROVIDED, HOWEVER, that unless waived in writing, advanced written notice of any such proposed amendment shall be given to each board member at least ten (10) days in advance of any meeting in which such amendments are to be considered. Written notice shall be deemed to have been given on the date upon which said notice is deposited in the regular mail, addressed to the board member at his/her address as it appears on the records of the corporation, with postage thereon prepaid.

SECRETARY'S CERTIFICATION

I, _____, Secretary of COTTAGE LAKE BEACH CLUB, a Washington nonprofit corporation, do hereby certify that the foregoing is a true and correct copy of the corporation's Bylaws as recommended by the Board of Directors and approved by the membership on _____, 1990.

IN WITNESS WHEREOF I have hereunto set my hand this _____ day of _____, 1990.

Secretary

WITNESSED:

President

Covenants

COTTAGE LAKE BEACH CLUB

Protective covenants contained in instrument dated May 6, 1966, and recorded June 22, 1966, under Auditor's File No. 6045732, executed by Osberg Construction Company and Martha E. Wick, as follows:

1. The area covered by these covenants is the entire area described above.
2. No lot shall be used except for residential purposes except Tract A. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling not to exceed two stories in height and a private garage for not more than two cars, except Lots 12 and 13, Block 5, which may be used for trailers until June 30, 1971 and except Lot 24, Block 4, which may be used for a sales office for two years from the date of the recording.
3. All buildings shall have concrete foundations. The ground floor area of the main structure, exclusive of one story open porches and garages, shall not be less than 1000 square feet for a one story dwelling, nor less than 1000 square feet for a dwelling of more than one story.
4. No building shall be located on any lot nearer to the front lot line or nearer to the side street than the minimum building setback lines shown on the recorded plat. In any event no building shall be located on any lot nearer than 20 feet to the front lot line, or nearer than 20 feet to any side street line. No building shall be located nearer than 5 feet to an interior lot line, except that no side yard shall be required for a garage or other permitted accessory building located 50 feet or more from the minimum building setback line. No dwelling shall be located on any interior lot nearer than 25 feet to the rear lot line. For the purpose of this covenant, eaves, steps and open porches shall not be considered as part of a building, provided however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot. Campers, trailers or boats may be kept in rear yards or interior side yards only.
5. No dwelling shall be erected or placed on any lot having a width of less than 75 feet at the minimum building setback line, nor shall any dwelling be erected or placed on any lot having an area of less than 9600 square feet.
6. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat and over the rear five feet and the side two and one-half feet of each lot. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easement. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible. Restricted clearing areas are shown on the face of the plat. Within these areas only clearing to establish fences and utilities shall be permitted.
7. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become annoyance or nuisance to the neighborhood. All individual power and telephone connections shall be underground only.
8. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or any other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently, except as specified in paragraph 2. No exterior clothes lines shall be permitted on any lot.
9. Any dwelling or structure erected or placed on any lot in this subdivision shall be completed as to external appearance, including finish painting, within nine (9) months from date of start of construction except for reasons beyond control in which case a longer period may be permitted.
10. No sign of any kind shall be displayed to the public view on any lot except on professional sign of not more than one square foot, one sign of not more than five square feet advertising the property for

sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

11. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose.

12. No lot shall be used or maintained as a dumping ground for rubbish; trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

13. No individual water supply system shall be permitted on any lot unless the system is designed, located and constructed in accordance with the requirements, standards and recommendations of County Public Health authorities. Approval of such system as installed shall be obtained from such authority.

14. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

15. No individual sewage disposal system shall be permitted on any lot unless the system is designed, located and constructed in accordance with the requirements, standards and recommendations of County Public Health authorities. Approval of such system as installed shall be obtained from such authority.

16. No fence, wall, hedge, or mass planting, other than foundation planting, shall be permitted to extend nearer to any street than the minimum setback line, except that nothing shall prevent the erection of a necessary retaining wall, the top of which does not extend more than two feet above the finished grade at the back of said retaining wall, provided however, that no fence, wall, hedge, or mass planting shall at any time, where permitted, extend higher than five feet above ground.

17. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty (30) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive period of ten (10) years unless an instrument signed by a majority of the then-owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

18. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages.

19. Invalidation of any one of these covenants by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

COVENANT VIOLATIONS

Cutting down trees on restricted clearing areas. Ref. Covenants, Section 6.

Outbuildings (trailers) used for residence, either temporarily or permanently. Ref. Covenants, Section 8.

Clothes lines. Ref. Covenants, Section 8.

Campers, trailers, or boats in front yards or non-interior side yards. Ref. Covenants, Section 4, last sentence.