

BYLAWS OF  
OSPREY ON LAKE ENTIAT ASSOCIATION

ARTICLE I

Directors and Officers

Section 1. The business of this Association shall be controlled and managed by a board of three Directors, all of whom shall be members of the Association. The President, and Secretary-Treasurer shall automatically be Directors, and the remaining members of the Board of Directors shall be elected as provided in these Bylaws.

Section 2. At the first meeting of the members of the Association, a President, Secretary-Treasurer and a Director shall be elected. The term of office of the President, Secretary-Treasurer and Director shall be three (3) years. Each of the Officers and the Directors shall continue to serve in such capacity until the successor has been elected. Any vacancy in the offices of Directors or Officers, with the exception of the office of President, shall be filled by a unanimous vote by the remaining Director, and such Officer or Director so elected shall hold office for the remainder of the unexpired term. Any vacancy in the office of the President shall be filled by a majority vote of the members of the Association called for that purpose. When any Officer or Director is no longer a member of the Association, his position as Officer or Director shall terminate.

Section 3. Meetings of the Directors shall be held on call of the President or on the call of any two members of the Board of Directors. Notice of such meeting shall be given, in writing, or by personal contact, at least twenty-four (24) hours in advance of any meeting. The Board of Directors may meet at any time and if all are present, may waive any requirements concerning notice.

ARTICLE II

Duties of Directors

Section 1. The Board of Directors shall have the management of the affairs of the Association and may exercise all powers provided by law and may delegate the power of the Board to any officer or officers or employees or agents. The Board shall determine who shall be

authorized to sign checks for the Association; provided, however, all activities and functions of the Directors and the Officers shall be strictly in accordance with the Articles of Incorporation and these Bylaws.

Section 2. The Officers and Directors shall maintain a strict and accurate accounting of all receipts and expenses of the Association in the operation of the water system. The Officers and Directors shall maintain the receipts and check register for a minimum of seven (7) years from the date of the original issue or receipt.

### ARTICLE III

#### Operation of the Association

Section 1. The purpose and functions of the Association shall as set forth in the Articles of Incorporation.

Section 2. The Board of Directors shall have authority to authorize expenditures of the Association's funds for the purposes set forth in the Articles of Incorporation; provided, however, the Board shall have no authority to incur any indebtedness exceeding the sum of Seven Thousand Five Hundred Dollars (\$7,500.00) without a duly authorized vote of three-fourths (3/4) of the members of the Association present at a meeting regularly called and held for such purpose. Provided, further, the monthly charge per lot shall be adjusted by the Board of Directors to facilitate the full amortization of the indebtedness within twenty-four (24) months from the date the indebtedness is incurred.

### ARTICLE IV

#### Assessments, Dues and Service Charges

Section 1. The Board of Directors shall have the authority to levy assessments, dues or service charges necessary for the purpose of raising funds to pay for the operations of the Association. The Board may also accumulate a reasonable reserve for such purposes.

Section 2. At all times the Board of Directors shall be guided by the prime purpose of providing continued service at reasonable rates to members of the Association and their property.

Section 3. Assessments, dues and service charges shall be levied by the Board of Directors by April 1 of each year to provide funds for the operation of the system. Notice shall be sent to all members of the amount of assessments against such members by mail, or on or about May 30 of the year for which such assessments are levied. Such assessments shall become due and payable on July 1 of each year and shall be delinquent if not paid prior to July 31 of each year. On August 1 of

each year the Secretary-Treasurer shall prepare a list of those members whose assessments are delinquent. The Secretary-Treasurer shall then prepare a notice and mail the same to each member whose assessments are delinquent, advising them that unless their assessments are paid in full within ten (10) days after receipt of such notice in person, or after such notice is mailed by certified mail, all services, including water, will be shut off until such assessments are paid. After such ten (10) days have elapsed, termination of service shall be effectuated without further act. When delinquent assessments, plus interest, and all costs relating to termination of services, including attorney's fees incurred by the Association are paid, services shall be promptly restored.

Section 4. When any unusual or special expenses are authorized by the Board of Directors, the Board of Directors shall have authority to levy special assessments for such purposes. Such special assessments shall be levied by the Board of Directors at such time as they are needed. Notice shall be sent to all members of the amount of special assessment, by mail, within fifteen (15) days after such special assessment is levied. Such assessment shall become due and payable within thirty (30) days after such notice is mailed, and the notice shall so provide. Such special assessment shall become delinquent if not paid within forty-five (45) days after the due date. In the event such special assessment becomes delinquent, the above provisions regarding regular assessments shall be applicable.

Section 5. The word "assessment" as used herein shall include assessments, dues or service charges, no matter how designated in any notice or action of the Board of Directors.

Section 6. All assessments, regular or special shall constitute liens against the property owned by the members of the Association against whom they are assessed. If the assessments remain unpaid for a period of one hundred twenty (120) days after they become delinquent, the same may be foreclosed by the Association in the manner provided by the laws of the State of Washington for the foreclosure of mechanic's and materialman's liens, except that no additional procedural or substantive requirements shall be imposed upon the Association other than set forth herein. The Association shall be entitled to reasonable attorney's fees incurred in the foreclosure of such lien.

Section 7. The Board of Directors shall have authority to adopt rules and regulations for the use of the facilities of the Association and the water to the end that continued service at reasonable rates will be assured for the members of the Association and their properties.

## ARTICLE V

### Duties of Officers

The Officers shall perform those duties customarily assumed by their respective positions and those prescribed by the Board of Directors. No Officer or Director shall receive compensation for services as an Officer or Director.

## ARTICLE VI

### Membership and Voting Rights

Section 1. Membership shall be limited to the owners of property specifically set forth in the Articles of Incorporation. Membership shall be automatic for the owners of such property and not subject to the approval of the Board of Directors or other members.

Section 2. Each member shall have a vote. No expulsion of members or cancellation of voting rights shall be allowed. A husband and wife, or other joint owners of any lot, shall be considered to be a single member with only one vote. The intention of these Bylaws is that each lot shall have one vote. If a husband and wife, or other joint owners of a lot cannot agree on how to vote on any matter, the vote attributed to such lot shall not be counted.

Section 3. Members may vote by proxy, which shall be in writing, signed by the member and delivered to the Secretary at any meeting at which the proxy is to be used. The proxy shall automatically expire eleven (11) months after the date of execution. Proxies shall not be binding upon the purchaser of the property from the grantor of the proxy.

Section 4. In the event an owner sells his property to a purchaser on a contract, the purchaser shall be entitled to vote when he is entitled to possession of the property.

## ARTICLE VII

### Meetings

Section 1. The annual meeting of the members shall be held on the first Wednesday of March of each year. Date, time and place of the annual meeting shall be set by the Board of Directors and notice shall be in writing and delivered or mailed to each member not less than five (5) days prior to the date of the annual meeting. The Officers and Directors whose terms have expired shall be elected at the annual meeting.

Section 2. Special meetings of the members may be called by a majority of the Directors, by the President, or by a one-third (1/3) majority of the members of the Association. Notice of such special meetings shall be given in writing and delivered personally or mailed not less than five (5) days prior to the meeting.

Section 3. A majority of the full membership of the Association shall be necessary to constitute a quorum for the transaction of the business of the membership. A majority of the Directors shall be necessary to constitute a quorum for the transaction of the business of the Directors. All matters, unless otherwise set forth in the Bylaws or in the Articles of Incorporation, shall be determined by a majority vote by those present so long as a quorum is present.

## ARTICLE VIII

### Obligations of Membership

By becoming a member of this Association, the owners agree to pay all assessments levied according to these Bylaws and to pay the assessments when due. Each of the owners of the property, by becoming a member of this Association, hereby grant, convey and quit claim to the Association an easement over, under, across and through their property for the purpose of maintaining, repairing and operating the irrigation system and all other component parts of the said system.

## ARTICLE IX

### Amendment

At any annual meeting, or at a special meeting called for that purpose, the members may amend these Bylaws by a two-thirds (2/3) vote of the entire membership, except as the same may be limited by the provisions of the Articles of Incorporation.

The foregoing Bylaws of OSPREY ON LAKE ENTIAT ASSOCIATION are hereby adopted by the undersigned and become effective immediately upon the date hereof. In addition, the undersigned agree to be bound by all of the covenants and conditions herein contained and as contained in the Articles of Incorporation.

DATED this 29 day of Dec, 2004

---



STATE OF WASHINGTON )  
 ) ss.  
County of Chelan )

I certify that I know or have satisfactory evidence that Shelley Harris  
the person who appeared before me, and said person acknowledged that she signed this  
instrument and acknowledged it to be her free and voluntary act for the uses and  
purposes mentioned in the instrument.

DATED this 29<sup>th</sup> day of December, 2004.



Terri L. Morrow  
(signature)  
Terri L. Morrow  
(typed or printed name)  
NOTARY PUBLIC, State of Washington  
My Commission Expires 07/10/05

STATE OF WASHINGTON )  
 ) ss.  
County of Chelan )

I certify that I know or have satisfactory evidence that \_\_\_\_\_  
\_\_\_\_\_ the person who appeared before me, and said person acknowledged that \_\_\_\_\_ signed this  
instrument and acknowledged it to be \_\_\_\_\_ free and voluntary act for the uses and  
purposes mentioned in the instrument.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
(signature)  
\_\_\_\_\_  
(typed or printed name)  
NOTARY PUBLIC, State of Washington  
My Commission Expires \_\_\_\_\_