

RESTATED

ARTICLES OF INCORPORATION
of
SNOHOMISH CASCADE HOMEOWNERS' ASSOCIATION
a Washington Nonprofit Corporation

On 20 January 1989, the Snohomish Cascade Homeowner's [sic] Association, a Washington nonprofit corporation, was organized in the office of the Washington State Secretary of State. On 12 July 1991, Articles of Amendment were filed, removing the apostrophe from the name of the corporation. The altered name became Snohomish Cascade Homeowners Association. Although a Certificate of Amendment was issued by the Secretary of State on 26 July 1991, the original spelling continues to appear on the Secretary of State's website. The corporation continues to be an active, functioning homeowners' association to this day. With this restatement of the Articles of Incorporation, the Association chooses to add an apostrophe to the end of "Homeowners'" so as to be grammatically correct. Henceforth, the name of the Association shall be Snohomish Cascade Homeowners' Association.

In accordance with the requirements of §24.03.183, Revised Code of Washington, the members of Snohomish Cascade Homeowners' Association, a Washington nonprofit corporation ("SCHOA"), do hereby make, subscribe, execute and adopt, the following Restated Articles of Incorporation, which correctly set forth without change the provisions of the articles of incorporation as restated and that the Restated Articles of Incorporation supersede the original Articles of Incorporation and all amendments thereto.

ARTICLE I

NAME

The name of the nonprofit corporation is SNOHOMISH CASCADE HOMEOWNERS' ASSOCIATION.

ARTICLE II

PERIOD OF DURATION

The duration of the nonprofit corporation shall be perpetual.

ARTICLE III

PRINCIPAL OFFICE

The address of the principal office of the nonprofit corporation shall be the same as the address of the registered agent of the nonprofit corporation on record with the Washington Secretary of State.

ARTICLE IV

REGISTERED OFFICE AND AGENT

The address of the registered office of the corporation shall be 13908 69th Avenue SE, Snohomish, WA 98296.

The name of the registered agent at such address is Susan Ridley. The Registered Agent shall be a Member of SCHOA.

ARTICLE V

PURPOSE AND POWERS OF THE CORPORATION

The specific purposes for which SCHOA exists and continues to operate are, among others:

A. To provide for the ownership, maintenance, management, preservation, repair, replacement and aesthetic appearance of the Common Areas and Tracts of land described in the Plats comprising SNOHOMISH CASCADE, DIVISION I (Auditor's File No. 8803025002), DIVISION II (Auditor's File No. 8908025004), DIVISION III (Auditor's File No. 8908095001) and DIVISION IIIA (Auditor's File No. 9210125001), all recorded in the Records of the County of Snohomish, State of Washington (the real property hereinafter referred to as "The Falls");

B. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions, and Restrictions (hereinafter the “Declaration”), applicable to The Falls, as recorded, and as the same may be amended from time to time, said Declaration being incorporated herein as if set forth at length;

C. To fix, levy, collect and enforce payment by lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the SCHOA including all licenses, taxes or government charges levied or imposed against the property of the association;

D. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the SCHOA;

E. To borrow money, to mortgage, pledge, secure by deed of trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and

F. To have and to exercise any and all powers, rights, privileges which a corporation organized under the Washington Nonprofit Corporation Act, Chapter 24.03, RCW, may now or hereafter have or exercise, subject to any limits imposed by the Washington Uniform Common Interest Ownership Act, Chapter 64.90, RCW.

G. This corporation does not contemplate pecuniary gain or profit to the Members thereof.

ARTICLE VI

MEMBERSHIP

Each Person who is an owner of record of a fee or undivided fee interest in any Lot which is subject to the Restated Declaration of Snohomish Cascade Division I, II, III and IIIA, dated [Date when officially adopted] and recorded under AFN [# to be determined when recorded] shall be deemed to have membership in SCHOA. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate an Owner’s membership in the SCHOA. No Owner, whether one or more Persons, shall have more than one (1) vote per Lot. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided in the Declaration and in the Bylaws. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The rights and privileges of membership, including the right to vote and to hold office, may be exercised by any Owner, but in no event shall more than one (1) vote be cast nor office held for each Lot owned.

ARTICLE VII

VOTING RIGHTS and QUORUM

A. All Owners shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as those Members themselves determine, but in no event shall more than one (1) vote be cast for any singular Lot. A Member may vote in person, by directed proxy, or in any manner authorized by the Board as permitted by law.

B. Quorum at Board Meetings. A quorum of the Board shall be a majority of the Directors of SCHOA. Decisions requiring a vote of the Directors shall occur only when a majority of Board Members are present to vote. If a quorum is present when a vote is taken at a Board Meeting, the affirmative vote of a majority of the Board Members present is the act of the Board.

C. Quorum at Member Meetings. A quorum of the Members is present throughout any meeting of the Members if persons entitled to cast thirty-four percent (34%) of the votes allocated in SCHOA are present in person or by proxy at the beginning of the meeting (106 of 310). Thus, a quorum is established by the presence of 106 voters.

ARTICLE VIII

BOARD OF DIRECTORS

A. The affairs of this Association shall be managed by a Board of Directors consisting of three (3) or five (5) Directors who must all be Members of the Association. The number of Directors may be changed only by amendment to the Articles of Incorporation.

B. Directors shall be elected by a vote of the Members, except that a Director may be appointed by the Board to fill the remaining term of a Director who resigns, dies or is otherwise removed. Such appointment must occur at a properly noticed Board Meeting by a majority vote of the Directors.

C. Directors shall serve for a term of three (3) years. A Director may be elected to no more than three (3) consecutive terms, including an appointment to the remaining term of a departing director. After serving three (3) consecutive terms, a director may hold no position in the Association for a period of at least 12 months, after which he or she may again seek a board position.

ARTICLE IX

LIABILITIES

At any one point in time, indebtedness, direct or contingent, to which the SCHOA may be subject, shall not exceed one hundred fifty percent (150%) of SCHOA's revenue for the previous fiscal year; provided, however, that additional debt may be authorized by the assent of at least sixty seven percent (67%) of the Membership (208 of 310).

ARTICLE X

AUTHORITY TO CONVEY OR ENCUMBER

The Common Elements may be conveyed or subjected to a security interest by the SCHOA, only if Members cast at least eighty percent (80%) of the Association's votes in favor of such action (248 of 310). Proceeds of the sale or loan are an asset to the Association, but the proceeds of the sale must be distributed equally among the Members. RCW 64.90.465(1)(a).

ARTICLE XI

AUTHORITY TO DEDICATE

The Association shall have the power to dedicate or transfer all of any part of the Common Areas owned by it to any governmental unit, public agency or authority, or public utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by at least eighty percent (80%) of the Members of the Association entitled to vote have agreed to such dedication or transfer and the vote has been recorded (248 of 310). RCW 64.90.465(4).

ARTICLE XII

DISSOLUTION

After approval of a plan of distribution as provided herein, the Association may be dissolved upon adoption by the Board of Directors of the resolution recommending the corporation be dissolved and the Members' written assent signed by not less than 80% of the Members of the Association (248 of 310). RCW 64.90.290.

ARTICLE XIII

PLAN OF DISTRIBUTION

Prior to Dissolution of the Association, the Members of the Association shall vote upon and approve by an 80% vote (248 of 310) a plan of distribution embodied in a Board of Directors resolution stating that the dissolution of the Association shall not become effective until the assets, both real and personal, of the Association are dedicated to an appropriate public agency devoted to purposes as nearly as practicable the same as the purposes of the Association or, if such dedication is refused acceptance, until such assets are granted, conveyed and assigned to any nonprofit association, trust or other organization devoted to the purposes and uses that most nearly reflect the purposes and uses of the Association. RCW 64.90.290.

ARTICLE XIV

ACTIONS REQUIRING GREATER THAN MAJORITY VOTE

A merger and actions taken pursuant to Articles X through XIII may occur only at a duly called meeting of the Members. Written notice of such meeting or subsequent meeting pursuant to this Article, shall set forth the purpose of the meeting and shall be delivered to Members not less than fourteen (14) days, nor more than fifty (50) days in advance of the meeting. Such notice shall be delivered to each Member by United States first class mail, postage prepaid, addressed to the Member at his or her address as it appears on the records of the Association. A Member may designate an alternate address to which notices are to be sent by providing such address to the Association in writing. Notices by United States mail shall be effective when deposited in the United States mail. Actions taken need the affirmative vote of at least eighty percent (80%) of all the votes allocated in the Association, unless a greater number is required by law. If a quorum is not obtained at the meeting, no such subsequent meeting shall be held sooner than sixty (60) days following the preceding meeting.

ARTICLE XV

AMENDMENTS

Amendment of these Articles of Incorporation by the Association shall require an affirmative vote of at least sixty seven percent (67%) of votes cast by Members after first having established a quorum of voters. A quorum being 106 voters.

ARTICLE XVI

INDEMNIFICATION

A. The SCHOA shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director, officer, employee or agent of the Association, against expenses, including attorneys' fees, judgments, fines or amounts paid in defense and/or settlement actually and reasonably incurred by him or her in such action, suit or proceeding if (1) he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, and (2) with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any actions, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner in which he or she is reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding had reasonable cause to believe that his or her conduct was unlawful. The SCHOA may not indemnify a director who is adjudged liable to the Association in a proceeding by or in the right of the Association or any other proceeding charging improper personal benefit to the director, or shall have been adjudged liable for negligence or misconduct in the performance of his duty to the Association.

B. To the extent that directors, officers, employees, or agents of the Association have been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section A, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection with the matters above described. (See RCW 23B.08.530).

C. Any indemnification under Section A (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standards of conduct set forth in Section A. Such determination to indemnify shall be made by (1) the Board of Directors by a majority vote of a quorum of the Board Members who were not parties to such action, suit or proceeding, or if such quorum is not obtainable, or even if obtainable, (2) by independent legal counsel, if a majority of disinterested directors so directs.

D. (1) The SCHOA may pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if:

(a) The director seeking indemnification furnishes the Association a written affirmation of his or her own good faith belief that he or she has met the standard of conduct described in RCW 23B.08.510; and

(b) The director furnishes the Association a written agreement, executed personally or on the director's behalf, which promises that he or she will repay the money advanced by the Association if it is ultimately determined that the director did not meet the standard of conduct.

(2) The agreement required by subsection (1)(b) above must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment.

E. The indemnification provided to an individual by the Article shall continue to apply whether or not one has changed office or who has ceased to be a director, officer, employee or agent and shall inure to the benefit of heirs, executors and administrators of such a person.

F. Upon the majority vote of a quorum of the Board of Directors, the Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, against any liability asserted against him or her and incurred by him or her in such capacity, or arising out of his or her status as such, whether or not the Association shall have indemnified him or her against such liability under the provisions of this Article.

DATED this day: _____

**SNOHOMISH CASCADE
HOMEOWNERS' ASSOCIATION**

By: _____
Tami Zevenbergen, President

CERTIFICATE OF SECRETARY

THE UNDERSIGNED hereby certifies that he/she is the Secretary of the Snohomish Cascade Homeowners' Association, and that the foregoing-described Restated Articles of Incorporation of Snohomish Cascade Homeowners' Association for Divisions I, II, III and IIIA has been duly adopted by an affirmative vote of sixty seven percent (67%) of the votes cast after first reaching quorum (106 voters) by members of the SCHOA voting at the Special Member Meeting held on _____ 2020.

**SNOHOMISH CASCADE
HOMEOWNERS' ASSOCIATION**

By: _____
Michelle Haneberg, Secretary

FINAL DRAFT

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

I certify that I know or have satisfactory evidence that Tami Zevenberger is the person who appeared before me, and said person acknowledged that she signed this instrument, and on oath stated that she was authorized to execute the instrument as the President of Snohomish Cascade Homeowners' Association to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Notary Public for the State of Washington.
My appointment expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

I certify that I know or have satisfactory evidence that Michelle Haneberg is the person who appeared before me, and said person acknowledged that she signed this instrument, and on oath stated that she was authorized to execute the instrument as the Secretary of Snohomish Cascade Homeowners' Association to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

Notary Public for the State of Washington.
My appointment expires: _____