

# **HARSTINE ISLAND ESTATES ASSOCIATION**

## **ARTICLES OF INCORPORATION**

### **ARTICLE ONE**

That name of this corporation shall be HARSTINE ISLAND ESTATES ASSOCIATION.

### **ARTICLE TWO**

The period of duration of this corporation shall be perpetual.

### **ARTICLE THREE**

The purposes for which this corporation is organized are:

1. To appropriate, purchase, divert, acquire and store water from streams, water course, wells or any other source, and to distribute the water so appropriated and acquired to its members for use upon the lands of said members and for domestic purposes; to acquire, own, construct, hold, possess, use and maintain such pumping plants, tanks, pipe lines, reservoirs, ditches, building, roads, trails and appliances, and such other property, including water rights and shares of stock in other corporations as said corporation may from time to time desire to acquire or purchase for furnishing and supplying water to its members; provided that this corporation shall not use or dispose of such water as a public utility, but solely for the use and benefit of its members and for the irrigation of land and domestic and other useful and beneficial purposes.
2. To fix, and establish, levy and collect, such charges and/or assessments as may be necessary to operate, maintain and repair a water system (and distribute water to the real property members of this association and to any of the real property designated in the By-Laws or in any amendment thereof,) but not in the excess of the maximum from time to time fixed by the By Laws.
3. To fix, establish, levy and collect such charges and/or assessments as may be necessary to operate and maintain the community pool on the real property designated herein (and on such real property as may be established and as may be determined by the Board of Trustees).
4. To expend the monies collected by said corporation from assessments and other sums received for the payment and discharge of costs, expenses and obligations incurred by said corporation any or all of the purposes for which said corporation is formed.

5. Generally, to do any and all lawful things which may be advisable, proper, authorized and/or permitted to be done by said corporation under or by virtue of any restrictions, conditions, and/or covenants or laws effecting said property, or portion thereof (including areas now or herein after dedicated to public use); and to do and perform any and all acts which may be either necessary for, or incidental to, the exercise of any of the foregoing powers or for the peace, health, comfort, safety and/or general welfare of the owners of said property, or portions thereof, or residents thereon.
6. To borrow money or mortgage or pledge any or all of the real or personal property of said corporation and the security for money borrowed or debts incurred; and to do any and all things that a corporation organized under said laws of the State of Washington may lawfully do when operating for the benefit of its members or the property of its members, and without profit to said corporation.
7. Generally, to do and perform any and all acts which may be either necessary or proper for or incidental to the exercise of any of the foregoing powers and such powers granted by the provisions of the Revised Code of Washington 24.03 and other laws of the State of Washington relating to non-profit organizations.
8. Nothing contained in these Articles of Incorporation shall be construed as authorizing or permitting said corporation to own, manage or operate any real or personal property for profit. It is the intention and purpose that the business of said corporation shall not be carried on for profit either to itself or for the benefit of its members, and whether it is authorized to collect charges or assessments it shall have no power or authority to use said charges or assessments except as necessary to cover the actual costs or expenses of the act, duty, power or transaction performed.
9. All of the foregoing purposes and powers are to be exercised in carrying for the purpose of doing, serving and applying the things above set forth for the benefit of all property, including, but without in any way limiting the foregoing, the area situated in Mason County, Washington, as described as follows:

Division 1 and 2 of Harstine Island Estates located in Section 31, Township 20 North, Range 1 West W.M.; Section 6, Township 19 North, Range 1 West W.M.; and Section 1, Township 19 North, Range 2 West W.M. as recorded in Mason County.

which is or shall become so subject to the jurisdiction of said corporation.

## **ARTICLE FOUR**

This corporation shall at all times hereafter be a joint and mutual association of the above named incorporators, and such other persons as may hereafter be admitted to membership in accordance with the By-Laws of the corporation. Membership shall be inseparably appurtenant to tracts owned by the members, and upon transfer of ownership contract for sale of any such tract, membership shall ipso facto be deemed to be transferred to the grantee or contract purchaser. No membership may be transferred, assigned, or conveyed in any manner other than in the manner herein set forth. In the event of the death of a member, the membership of such deceased member shall be and become the property of the personal representative of such deceased member upon appointment and qualifications as such in a judicial proceeding and such personal representative shall have all of the rights, privileges and liabilities of such member until title shall be transferred or contracted to be transferred. Property in possession of this corporation shall be managed by the Board of Trustees hereinafter named and alienated and disposal of in accordance with the By-Laws of the corporation. The interest of each incorporator or member shall be equal to that of any other and no incorporator or member can acquire any interest which shall entitle him to any greater voice, vote, authority or interest in the corporation than any other member.

## **ARTICLE FIVE**

The number of Trustees that constitute the initial Board of Directors of the corporation shall be seven directors.

## **ARTICLE SIX**

The corporation shall have one class of members. The Board of Trustees shall establish the assessments for the members from time to time. The Board of Trustees shall have the power to determine the method of payment for any assessment (annual, monthly, one-time, etc.). Except: that members who purchased their current property prior to the adoption of this Article revision may at their own election opt to be excluded from taking part in pool activities and fees; and members who obtain all domestic water from their own well may at their own election opt to be excluded from the community water system.

## **ARTICLE SEVEN**

### **Limitation of Liability**

A person who is acting in a management capacity for the corporation shall have no liability to the corporation or its members for monetary damages for conduct in the management capacity, except for acts or omissions that involve intentional misconduct by the person, or a knowing violation of law by the person, or for any transaction from which the person will personally receive a benefit in money, property or services to which the person is not legally entitled. If the Washington Nonprofit Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting personal liability for those involved in the management of the corporation, then the liability of a person acting in such capacity shall be eliminated or limited to the full extent permitted

by the Washington Nonprofit Corporation Act, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection extended to a person under this Article existing at the time of such repeal or modification for or with respect to an act or omission of such director occurring prior to such repeal or modification.

## **ARTICLE EIGHT**

### **Indemnification**

**Right to Indemnification.** The corporation shall indemnify its directors acting in the management of the corporation to the full extent authorized by law. The corporation may indemnify others as determined by the board of directors. The corporation may advance expenses of litigation to persons as determined by the board of directors.

**Insurance, Contracts and Funding.** The corporation may maintain insurance at its expense, to protect itself and any director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under RCW 24.03.043 of the Washington Nonprofit Corporation Act. The corporation may enter into contracts with any person 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 or credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

## **ARTICLE NINE**

The address of the initial registered office of the corporation shall be Rt. 4, Box 245, City of Shelton, County of Mason, Washington. The name of the initial registered agent of the corporation at such address shall be John H. Laubach.

## **ARTICLE TEN**

In the event of the dissolution of the corporation any remaining assets, after discharging all liabilities and obligations; shall be returned by the last Board of Trustees to hold office to the respective members.

