

**ARTICLES OF INCORPORATION
OF
THE VILLAGE AT LAKE CHELAN
OWNERS ASSOCIATION**

The undersigned, for the purpose of forming a nonprofit corporation under Chapter 24.03 of the Revised Code of Washington, adopts the following Articles of Incorporation:

ARTICLE 1.

NAME

The name of the corporation is The Village at Lake Chelan Owners Association (the "Association").

ARTICLE 2.

DURATION

The Association shall have perpetual duration.

ARTICLE 3.

PURPOSES AND POWERS

The Association does not contemplate pecuniary gain or profit, direct or indirect, to its Members.

(a) In way of explanation and not of limitation, the purposes for which it is formed are:

(i) to be and constitute the Association to which reference is made in the Declaration of Covenants, Conditions, and Restrictions for The Village at Lake Chelan (hereinafter, the "Declaration"), recorded or to be recorded in the records of Chelan County, Washington, to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified therein, in the Bylaws of The Village at Lake Chelan Owners Association ("Bylaws") and as provided by law; and

(ii) to provide an entity for the furtherance of the interests of the Owners in the development.

(b) In furtherance of its purposes, the Association shall have the following powers, which, unless indicated otherwise by the Declaration or Bylaws, may be exercised by the Board:

(i) all of the powers conferred upon nonprofit corporations by common law and the statutes of the State of Washington in effect from time to time;

(ii) all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the Bylaws, or the Declaration, including, without limitation, the following:

(A) to fix and to collect assessments or other charges to be levied;

(B) to manage, control, operate, maintain, repair, and improve property subjected to the Declaration or any other property for which the Association by rule, regulation, declaration, or contract has a right or duty to provide such services;

(C) to enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Governing Documents;

(D) to engage in activities which will actively foster, promote, and advance the common interests of all Owners of property subject to the Declaration;

(E) to buy or otherwise acquire, sell, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Association;

(F) to borrow money for any purpose;

(G) to enter into, make, perform, or enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation, or other entity or agency, public or private;

(H) to act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms, or individuals;

(I) to adopt, alter, and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such Bylaws may not be inconsistent with or contrary to any provisions of the Declaration; and

(J) to provide any and all supplemental services as may be necessary or proper.

(c) In order to preserve, protect, and promote the fiscal soundness of the Association, the Association shall be without authority to engage in any activity or enter into any contract, contractual relationship, or agreement for the provision of goods or services of any kind or nature, where, at the commencement of such activity or agreement, its duration, cost, or return (financial or otherwise) to the Association is not fixed or reasonably ascertainable, unless such activity or agreement has been first approved by Class A Members representing at least 67% of the Class A votes in the Association and Class B Member. Such approval may be obtained at any regular or special meeting of the Association or by written ballot without a meeting pursuant to the Bylaws.

This provision is not intended to prevent or otherwise prohibit the Association from taking actions to enforce the Use Restrictions, Rules and Regulations, Residential Architectural Standards, or assessment obligations against Members; investing Association funds so long as such funds are invested in a manner consistent with Washington laws concerning management of trust account assets; or defending itself in any litigation or court proceeding instituted against it by another Person.

(d) The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be permitted by law. The powers specified in each of the paragraphs of this Article are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this Article.

ARTICLE 4.

MEMBERSHIP

The Association shall be a membership corporation without certificates or shares of stock. Each Person who is the record owner of a Unit subject to the Declaration is a Member and shall be entitled to vote as set forth herein and in the Declaration and the Bylaws.

ARTICLE 5.

REGISTERED AGENT AND OFFICE

The initial registered office of the Association is 500 Galland Building, 1221 Second Avenue, Seattle, Washington 98101-2925, and the initial registered agent at such address is Hillis Clark Martin & Peterson, P.S.

ARTICLE 6.

BOARD OF DIRECTORS

The business and affairs of the Association shall be conducted, managed, and controlled by a Board of Directors. The initial Board shall consist of three (3) directors. The names and addresses of the initial directors are as follows:

Jason J. Fors
21011 – 135th Place S.E.
Kent, WA 98042

Jared J. Fors
21011 – 135th Place S.E.
Kent, WA 98042

Yvonne C. Fors
21011 – 135th Place S.E.
Kent, WA 98042

The number of directors, method of election, term of office, removal of directors, and filling of vacancies on the Board shall be as set forth in the Bylaws. The Board may delegate such operating authority to such companies, individuals, or committees as it, in its discretion, may determine.

ARTICLE 7.

INCORPORATOR

The name and address of the sole incorporator is Jason J. Fors, 21011 - 135th Place S.E., Kent, Washington 98042.

ARTICLE 8.

DISSOLUTION

The Association may be dissolved only upon a resolution duly adopted by the Board and the affirmative vote of Members representing not less than 67% of the Class A votes of the Association and the consent of Declarant so long as Declarant owns any property subject to the Declaration or which may be unilaterally subjected to the Declaration by Declarant; provided, as a condition to the dissolution of the Association, the Association's obligations with respect to the operation and maintenance of the Area of Common Responsibility shall be assigned to and assumed by a non-profit corporation,

association, trust, or other organization devoted to purposes consistent with such maintenance and operation.

In the event of dissolution, liquidation, or winding up of the Association, subject to the Declaration, the Association's assets remaining after payment, or provisions of payment, of all known debts and liabilities of the Association shall be divided among and distributed to the Members thereof in accordance with their respective rights therein.

ARTICLE 9.

MERGER AND CONSOLIDATION

The Association may merge or consolidate only upon a resolution duly adopted by the Board and the affirmative vote of Members representing not less than 67% of the Class A votes of the Association and the consent of Declarant so long as Declarant owns any property subject to the Declaration or which may be unilaterally subjected to the Declaration by Declarant.

ARTICLE 10.

LIABILITY OF DIRECTORS

To the fullest extent that the Washington Nonprofit Corporation Act, as it exists on this date or as it may be amended, permits the limitation or elimination of the liability of directors, no director of the Association shall be personally liable to the Association or its Members for monetary damages for breach of duty of care or other duty as a director. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Association for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

ARTICLE 11.

AMENDMENTS

These Articles may be amended only upon a resolution duly adopted by the Board and the affirmative vote of Members representing at least 67% of the Class A votes of the Association and the consent of Declarant so long as Declarant owns any property subject to the Declaration or which may be unilaterally subjected to the Declaration by Declarant; provided however, no Members shall be entitled to vote on any amendment to these Articles proposed for the sole purpose of complying with the requirements of any governmental or quasi governmental entity or institutional lender authorized to fund, insure or guarantee Mortgages on individual Units, as such requirements may exist from time to time, which amendments may be adopted by the Board.


ARTICLE 12.

DEFINITIONS

Unless otherwise defined herein, the words used in these Articles shall have the same meaning as set forth in the Declaration, unless the context shall prohibit.

IN WITNESS WHEREOF, the undersigned duly authorized officer of the incorporator, has executed these Articles of Incorporation this 7th day of June, 2006.

INCORPORATOR:



JASON J. EORS

CONSENT TO SERVE AS REGISTERED AGENT

JASON J. FORS, hereby consents to serve as Registered Agent in the State of Washington for The Village at Lake Chelan Owners Association. It is understood that, as agent for the Association, JASON J. FORS will have the responsibility to receive service of process in the name of the Association; to forward all mail to the Association; and to immediately notify the Office of the Secretary of State in the event of its resignation, or of any changes in the registered office address of the Association for which he is agent.

DATED this 7th day of June, 2006.



JASON J. FORS

Address: 21011 – 135th Place S.E.
Kent, WA 98042