

After Recording mail to:

Duggan Falls Water System  
P.O. Box 553  
Washougal, WA 98671

Above Space Reserved for Recording

(If required by your jurisdiction, list above the name & address of: 1) where to return this form; 2) preparer; 3) party requesting recording.)

# Claim of Lien

Date of this Document: January 4, 2013

Reference Number of Any Related Documents: Declaration of Covenants, Restrictions, Easements, Charges & Liens;  
DFWS By-Laws 1987

Lienholder:

Name Duggan Falls Water System, Inc.  
Street Address P.O. Box 553  
City/State/Zip Washougal, WA 98671

Property Owner:

Name Allen & Dan Van Every  
Street Address 16361 Washougal River Road  
City/State/Zip Washougal, WA 98671

Abbreviated Legal Description (i.e., lot, block, plat, or section, township, range, quarter/quarter or unit, building and condo name): Lot 4, Hideaway on the Washougal, Book A, Page 151

Assessor's Property Tax Parcel/Account Number(s): 02-05-14-2-2-0120-00

State of: Washington  
County of: Skamania

Before me, the undersigned Notary Public, personally appeared Fred Cartan, Treasurer, DFWS  
(Lienor) who duly sworn says that he/she is (the Lienor herein) (the agent of the Lienor herein) whose address is  
P.O. Box 553, Washougal, WA 98671 and that in  
accordance with a contract with Allen & Dana Van Every (Debtor) lienor  
furnished labor, services or materials consisting of (describe specially fabricated materials separately):  
Duggan Falls Water System, Inc. operates & maintains a water supply system. Members pay  
maintenance assessments & special assessments. This lien is a claim for delinquent payments.



**BY-LAWS**  
**OF**  
**DUGGAN FALLS WATER SYSTEM**  
**A Washington Non-Profit Corporation**

**ARTICLE I. NAME, LOCATION AND OFFICE**

These are the By-Laws of **Duggan Falls Water System**, hereinafter referred to as the "Association". The office of the Association shall be located at \_\_\_\_\_.

**ARTICLE II. DEFINITIONS**

The following words when used in these By-Laws shall, unless the context otherwise prohibits, have the meanings set forth below:

- a) "Association" shall mean and refer to Duggan Falls Water System, a Washington Non-Profit Corporation.
- b) "Declaration" shall mean and refer to the Declaration of Covenants, Restrictions, Easements, Charges and Liens applicable to the Properties recorded with the Skamania County Auditor.
- c) "Due Date" or "Due Dates" shall mean the date or dates set for payment of any special assessment or installments thereof.
- d) "Lot" shall mean and refer to a unit of land located within Hideaway on the Washougal, Hideaway II or Whispering Hills River Estates which has been made subject to the Declaration.
- e) "Incorporators" shall mean and refer to Larry Worlein, Darrell Robb, Laurie Robb, Richard Stanton, Julie M. Worlein and David R. Stanton.
- f) "Member" shall mean and refer to each holder of membership interests in the Association, as such interests are set forth in Article VI of these By-Laws.
- g) "Owner" shall mean and refer to the record owner of (fee simple title to) any improved Lot. Every Lot Owner shall be treated for all purposes as a single owner for each Lot held, irrespective of whether such ownership is community, joint, or common. Where such ownership is community, joint, or common, a

majority vote of such owners shall be necessary to cast any vote to which such owners are entitled.

h) "The Properties" shall mean and refer to all those areas of land described in and subject to the Declaration.

i) "Duggan Falls Water System" shall mean and refer to the system of water works and pipelines owned by the Association, which are used for the purpose of supplying water to The Properties.

### ARTICLE III. PURPOSE

This Association is formed to own, operate, manage and control the Duggan Falls Water System and to perform certain maintenance of and repairs to the Duggan Falls Water System on The Properties for the benefit of its Members as herein defined.

### ARTICLE IV. APPLICABILITY

All present and future Members, lessees, tenants, their families and any other person or persons who shall be permitted to use the Duggan Falls Water System shall be subject to these By-Laws and to the rules and regulations issued by the Association to govern the conduct of its Members.

### ARTICLE V. USE OF FACILITIES

The Duggan Falls Water System shall be limited to the use of the Members and their guests. In the event a Member shall lease or permit another to occupy his Lot, the lessee or occupant shall, at the option of the Member, be permitted to enjoy the use of the Duggan Falls Water System subject to the same restrictions and limitations as apply to said Member.

### ARTICLE VI. MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership and Voting Rights. The Association shall have one class of membership interest as follows:

The Owner of each Lot on The Properties shall be a Member whether such ownership is community, joint, or in common.

Each member is entitled to one vote for each Lot in which the Member holds a membership interest. When more than one person or entity holds such interest in any Lot, the one vote attributable to such Lot shall be exercised as such persons mutually determine but, no more than one vote may be cast with respect to any such Lot. No Member shall split or divide its votes on any motion, resolution or ballot.

## ARTICLE VII. QUORUM, PROXIES AND WAIVERS

**Section 1. Quorum.** So many Members, whether present in person or represented by written proxy, as shall represent at least 51% of the total authorized votes of all Members shall be requisite to and shall constitute a quorum at all meetings of the Association for the transaction of business, except as otherwise provided by Statute, by the Declaration, the Certificate of Incorporation of the Association or by these By-Laws. Provided, however, that if such quorum shall not be present or represented at any meeting of the Association, the Members entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting upon 10 days written notice to all members, until a quorum shall be present or represented, at which time any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting, so many members as shall represent at least 33 1/3 percent of the total authorized votes of all members shall constitute a quorum.

**Section 2. Vote Required to Transact Business.** When a quorum is present at any meeting, the vote of two-thirds of the Members present in person or represented by written proxy shall decide any question brought before such meeting, and such vote shall be binding upon all Members, unless the question is one upon which, by express provisions of the Revised Code of Washington, the Declaration, Certificate of Incorporation or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

**Section 3. Right to Vote.** Members shall be entitled to vote either in person or by proxy at any meeting of the Association. Any proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

**Section 4. Proxies.** All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

**Section 5. Tenants and Occupants.** Notwithstanding any other provisions of these By-Laws, in the event a Member shall lease or permit another to occupy his or her Lot and elects to permit the lessee or occupant to enjoy the use of the Duggan Falls Water System in lieu of the Member doing so, the Member may, by a writing directed and in form satisfactory to the Board of Directors of the Association, permit the lessee or occupant to exercise the Member's right to vote for the duration of the lease or permitted occupancy, or for a period of ten years, whichever is



shorter. Upon the expiration of said period, and each successive period, the Member shall have the right to extend the lessee's or occupant's right to exercise the Member's right to vote if the aforesaid conditions are again satisfied.

**Section 6. Waiver and Consent.** Whenever the vote of the membership at a meeting is required or permitted by Statute or by any provisions of the Declaration, Certificate of Incorporation or of these By-Laws to be taken in connection with any action of the Association, the meeting and vote of the membership may be dispensed with if all Members who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

**Section 7. Place of Meeting.** Meetings shall be held at a suitable place convenient to the Members such as may be designated by the Board of Directors and as designated in the notices of such meeting.

**Section 8. Annual Meetings.** The annual meeting of the membership of the Association shall be held on such date as is fixed by the Board of Directors. At such meetings there shall be elected by ballot of the membership a Board of Directors in accordance with the requirements of Article VIII of these By-Laws. The Members shall also transact such other business as may properly come before the meeting.

**Section 9. Special Meetings.** It shall be the duty of the President to call a special meeting of the Association, if so directed by the Board of Directors, or upon the presentation to the Secretary of a petition signed by a majority of the Members.

**Section 10. Notice of Meetings.** It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof and the time and place where it is to be held, to each Member and to each tenant or occupant entitled to vote pursuant to Section 5 of this Article, at least ten but not more than thirty days prior to such meeting. The mailing of a notice by depositing the same in a stamped, properly addressed envelope in the United States Mails in the manner provided in these By-Laws shall be considered notice served.

**Section 11. Order of Business.** The order of business at all meetings shall be as follows:

- a) Roll call
- b) Proof of notice of meeting or waiver of notice
- c) Reading of minutes of preceding meeting
- d) Report of officers

- e) Report of committees
- f) Appointment of inspectors of election (in the event there is an election)
- g) Election of Directors (in the event there is an election)
- h) Unfinished business
- i) New business

## ARTICLE VIII. BOARD OF DIRECTORS

**Section 1. Number and Term.** The number of Directors which shall constitute the whole Board shall not be less than three nor more than seven. An initial Board consisting of the three Incorporators shall serve until the first annual meeting of the Membership. At the first annual meeting of the Membership and at all subsequent annual meetings, the Membership shall vote for and elect between three and seven Directors to serve for one-year terms and until their successors have been duly elected and qualified.

**Section 2. Election of Directors.** The Directors of the Association shall be elected by a majority vote of the Membership at the annual meeting of the Membership and shall serve until the election of new Directors.

**Section 3. Removal.** Any Director may be removed from office for due cause by a majority vote of the Membership at any regular meeting of the Membership or at a special meeting of the Membership called for that purpose. Notice of the proposed removal of a Director must be given to such Director prior to the date of the meeting at which such removal is to be voted upon. Such notice to the Director shall state the cause for the proposed removal.

**Section 4. Absences.** Unexcused absence from three consecutive meetings of the Board of Directors shall be due cause for removal of a Director.

**Section 5. Vacancies.** Any vacancy occurring on the Board of Directors by reason of the death, resignation or removal of a Director shall be filled by appointment by a majority of the remaining members of the Board of Directors. Such appointee shall serve during the unexpired term of the Director whose position has become vacant.

**Section 6. Power.** The Board of Directors shall manage and operate the business and property of the Association.

**Section 7. Meetings.** The Board of Directors of the Association shall hold regular meetings on the \_\_\_\_ day of \_\_\_\_\_, and such special meetings as the Board may deem necessary for the competent management of the affairs of the Association.

**Section 8. Voting.** Each member of the Board of Directors shall possess one vote in matters coming before the Board. All voting at meetings of the Board of Directors shall be by each member in person and voting by proxy shall not be allowed. Two members of the Board of Directors shall constitute a quorum.

**Section 9. Compensation.** The Board of Directors may serve with or without compensation.

**Section 10. Officers.** Within a reasonable time after their election, the members of the Board of Directors shall elect from their number the following officers: President, Vice President and Secretary/Treasurer. All such officer shall be officers of the Association.

## **ARTICLE IX. OFFICERS**

**Section 1. President.** The President of the Board of Directors shall supervise all activities of the Association; execute all instruments on its behalf; preside at all meetings of the Board of Directors and of the membership of the Association; call such meetings of the membership as shall be deemed necessary, other than the annual meeting of the membership; and perform such other duties usually inherent in such office.

**Section 2. Vice President.** The Vice President of the Board of Directors shall act for the President in his absence and perform such other acts as the President may direct.

**Section 3. Secretary.** It shall be the duty of the Secretary of the Board of Directors to keep all records of the Board of Directors and of the Association, and to perform such other acts as the President may direct.

**Section 4. Treasurer.** The Treasurer shall receive and be accountable for all funds belonging to the Association; pay all obligations incurred by the Association when payment is authorized by the President; maintain bank accounts in depositories designated by the Board of Directors; and render periodic financial reports.

**Section 5. Terms of Office.** Officers shall serve for terms of one year.



**ARTICLE X. AMENDMENTS**

These By-Laws may be amended, altered or repealed and new By-Laws may be adopted by a majority vote of the membership of the corporation at any regular meeting or at any special meeting called for that purpose if at least fifteen days written notice to the members is given. Provided, however, that the following provisions of these By-Laws cannot be amended during the first year of the active corporate existence of the Association except by a two-thirds majority of eligible voting Members and with the approval of the U.S. Department of Housing and Urban Development and, thereafter, only by a two-thirds majority of eligible voting members: Article II, paragraphs a), b), d), f), g) and h); Article III; Article VI; and Article VII, Section 4.

**ARTICLE XI. WAIVER OF NOTICE**

Whenever any notice is required to be given under the provisions the Revised Code of Washington or under the provisions of the Articles of Incorporation or the By-Laws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**ARTICLE XII. ASSESSMENTS****Section 1. Imposition of Lien and Personal Obligation.**

Each present Member or new Member shall be deemed to covenant and agree to pay to the Association:

- a) annual assessments or charges (Maintenance Assessments);
- b) special assessments for capital improvements, (Special Assessments).

together hereinafter being referred to as "Assessments".

The Assessments shall be fixed, established and collected from their Due Date(s) as described in Section 2 below. Each Assessment (or installment payment thereof), together with interest thereon and costs of collection as hereinafter provided, shall also be the personal obligation of the Owner of such property.

**Section 2. Maintenance Assessment.** For each fiscal year, prior to commencement thereof, based on the Association's budget for such year, the Board of Directors of the Duggan Falls Water System shall:

- a) compute an annual Maintenance Assessment, which Assessment shall represent the amount the Board deems necessary to properly maintain, operate, control and protect the Duggan Falls Water System and to administer the Association over the course of the upcoming fiscal year;
- b) divide the Maintenance Assessment by the number of Lots to ascertain the amount to be assessed against each Lot;
- c) propose the Due Date or Dates for payment of the Maintenance Assessment or installments thereof; and
- d) so notify the Membership in writing (the "Assessment Notice").

Members shall vote upon the proposals set out in the Assessment Notice at the next regularly scheduled meeting of the Members or at a special meeting called by the President for that purpose. An affirmative vote of 51% of the entire Membership shall be required for approval of any proposals submitted by the Board pursuant to this Article XII, Section 2.

**Section 3. Change in Assessments.** The Association may change the Rate of the Maintenance Assessment in the following manner:

Upon the affirmative vote of the Board of Directors proposing a change in the Rate, the Board of Directors shall hold a Hearing on said Proposal. Not less than 10 nor more than 45 days after such Hearing the Membership shall vote on the proposed increase or a lesser increase, and the affirmative vote of not less than 51% of the entire Membership shall be required for approval.

**Section 4. Special Assessments.** In addition to the Maintenance Assessments, and in accordance with the provisions of this Section 4, the Board of Directors may levy in any fiscal year Special Assessments, payable in that year or in the following year only, for the purpose of defraying, in whole or in part, the cost of any capital improvements, including, without limitation, the construction, reconstruction or replacement of, or repairs of a capital nature to, the Duggan Falls Water System, including the necessary fixtures and property related thereto. Before levying such Special Assessment, the Board of Directors shall hold a Hearing on said proposed Special Assessment. Not less than 10 nor more than 45 days after such Hearing, the Board of Directors shall vote on the proposed Special Assessment or a Special Assessment of a lesser amount, and the affirmative vote of not less than three-fourths of the entire Board of Directors shall be required for

approval. The Board shall divide the total assessment by the number of Lots and assess the quotient against each Lot. The Board shall then establish a Due Date or Due Dates for payment of each Special Assessment or installments thereof and shall notify each Member thereof in writing at least 30 days prior to the Due Dates or the first Due Date if payable in installments. Each notice shall set forth the total amount of such Special Assessment and the amount to be paid by the Member.

**Section 5. Hook-Up and Initial Charges to New Members.** The Board of Directors shall assess a charge for initial provision of service to any new Lot to which service has not been supplied in the past. Such assessment shall be in an amount representing the reasonable cost to the Association to provide the new service.

**Section 6. Effect of Non-Payment of Assessment; Remedies of the Association.** The right to water service is subject to the timely payment of all assessments established pursuant to this Article XII. During any period in which a Member shall be in default in the payment of any assessment levied by the Association, the Member's right to the use of the Duggan Falls Water System may be suspended by the Board of Directors until such assessment has been paid. Water service will be restored within twenty-four (24) hours of payment by a Member of all delinquent assessments together with a charge for disconnection and restoration of service, unless circumstances beyond the control of the Association preclude restoration of service within that time, in which event, service will be restored as soon as possible. The Board of Directors shall fix the charge for disconnection and restoration of service from time to time, and the charge shall represent the reasonable cost to the Association of disconnecting and reconnecting the Lot to the Duggan Falls Water System.

If a Maintenance Assessment or Special Assessment, installment payment or either is not paid by the Due Date for the payment of such Maintenance or Special Assessment or installment payment, then such payment shall be deemed delinquent and shall, together with interest and penalties, as may be fixed from time to time by the Board of Directors, and costs of collection, including attorney's fees, be a lien on the Lot of the non-paying Member. In addition to such lien, the Member may be held personally liable for the payment thereof. Such personal liability with respect to a delinquent payment shall remain the personal liability of the Member until paid. The Association may bring legal action for payment against the Member personally liable therefore or it may foreclose on the lien as it deems advisable.

**Section 7. Water Use for Domestic Purposes Only.** The water supplied pursuant to this agreement shall be used only for domestic purposes and purposes incidental and accessory thereto.

**ARTICLE XIII. GENERAL PROVISIONS**

**Section 1. Fiscal Year.** The fiscal year of the Association shall begin on the \_\_\_\_\_ day of \_\_\_\_\_ in each year and end at midnight on the \_\_\_\_\_ day of \_\_\_\_\_ of the following year.

**Section 2. Seal.** The Board of Directors shall obtain a corporate seal, which shall be held by the Secretary.

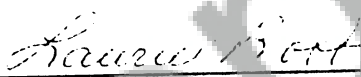
**Section 3. Books and Records.** The Association shall keep correct and complete books and records of account and shall also keep minutes of the meetings of its Membership and of its Board of Directors and of committees having and exercising any of the authority of the Board of Directors, and shall keep at the office of the Association a record giving the names and addresses of the Members. All books and records of the Association may be inspected by any Member or his agent or attorney for any proper purpose at any reasonable time.


**Section 4. Severability.** If any provision of these By-Laws is declared invalid by any tribunal, the remaining provisions shall not be affected thereby.

The undersigned certify the foregoing By-Laws have been adopted as the first By-Laws of the corporation, in accordance with the requirements of the laws of the State of Washington.

Dated: \_\_\_\_\_, 1987.

  
LARRY E. WORLEIN

  
LAURIE ROBB

  
DAVID R. STANTON