

SEP 10 1987

ARTICLES OF INCORPORATION

SKY MOUNTAIN HOMEOWNERS' ASSOCIATION

SECRETARY OF STATE
STATE OF WASHINGTON

The undersigned, Thomas E. Dixon, being a person over the age of 21 years, hereby executes these Articles of Incorporation in duplicate for the purpose of forming a corporation under the Washington Nonprofit Corporation Act, RCW 24.03.

ARTICLE I

The name of the corporation is Sky Mountain Homeowners' Association (the "Association").

ARTICLE II

The duration of the corporation shall be perpetual.

ARTICLE III

The corporation's purposes and powers shall apply with respect to the real property known as Sky Mountain, Division No. 1 ("Sky Mountain 1"), an addition to King County, Washington as recorded in Volume 122 of Plats, pages 72 through 75, records of King County, Washington, and with respect to Sky Mountain, Division No. 2 ("Sky Mountain 2") an addition to King County, Washington as recorded in Volume 124 of Plats, pages 97 and 98, records of King County, Washington. Sky Mountain 1 is subject to that certain Declaration of Covenants, Conditions and Restrictions recorded in King County on December 3, 1982 under Auditor's No. 8212030433 ("Declaration 1"). Sky Mountain 2 is subject to that certain Declaration of Covenants, Conditions and Restrictions dated February 5, 1985 and recorded in King County under Auditor's No. 8502140052 ("Declaration 2"). Notwithstanding the above, however, these Articles shall not be effective with respect to Sky Mountain 2 until such time as Lozier Homes Corporation, assignee of Washington Mutual Savings Bank, the original declarant under Declaration 2, assigns its rights and duties under Declaration 2 to this corporation pursuant to Paragraph 4 of Declaration 2 ("Merger Date"). From and after the Merger Date the owners of parcels in both of those subdivisions shall be members of this corporation. Before the Merger Date "Sky Mountain" shall refer to Sky Mountain 1 and "Declaration" shall refer to Declaration 1. After the Merger Date, "Sky Mountain" shall refer to both Sky Mountain 1 and Sky Mountain 2, and "Declaration" shall refer to both Declaration 1 with respect

to Sky Mountain 1 and Declaration 2 with respect to Sky Mountain 2.

ARTICLE IV

This corporation is formed for the following purposes:

1. To maintain the common area of Sky Mountain as provided in the Declaration. Maintenance of the common areas shall include, but is not limited to, removal of diseased or dangerous planting and trees, and removing, topping, limbing and trimming of trees for the purpose of maintaining a view of the Cascade Mountains and Lake Sammamish which are rights reserved under the Declaration to the owners of residential sites.

2. To pay taxes on assessments which may be levied by any public authority upon any of the commonly held property, to pay insurance, the cost of electricity required for street and entrance lighting and for the reasonable maintenance of such street and entrance lighting until such time as the operations of such lighting are taken over or otherwise assumed by King County or other municipal authority.

3. To enter into contracts and agreements and provide services for the maintenance of any access roads and commonly held property, including roads, recreational facilities, permanent subdivision entrance markers, landscaping, gardens and all improvements of whatever kind and for whatever purpose from time to time located on common areas in good order and repair.

4. To enforce assessments, liens, charges, restrictions, conditions and covenants existing upon the property and parcels as provided for in the Declaration.

5. To fix, establish, levy and collect annually from the members such charges and assessments as may be necessary to carry out any or all of the purposes for which the corporation is formed in accordance with the Declaration.

6. To control the buildings and structures placed on each residential site and to appoint and remove members of the Architectural Control Committee, all as more particularly set forth in the Declaration.

7. To perform all of the duties and obligations assigned to the declarant under the Declaration.

ARTICLE V

The powers and authority of the Association are:

1. To expend monies collected by the Association from assessments and charges and to pay expenses and obligations incurred by the Association in carrying out any or all of the purposes for which it is formed.

2. 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 powers of the Association or for the performance of any of the purposes for which the Association is formed; provided however the Association shall have no power to sell, transfer or otherwise dispose of the commonly held property without amending these Articles of Incorporation as provided by law, except that the Association may from time to time grant and convey to any third party such easements, rights of way, parcels or strips of land in, on, over or under any common area or recreational facility for the purpose of constructing, erecting, operating and maintaining roads, walks, driveways, parkways and park areas, recreational facilities, poles, wires and conduits for the transmission of electricity for lighting, heating, power, telephone, television and other purposes and for the necessary attachments in connection therewith, and private sewer storm water drains, land drains and pipes, water systems, sprinkler systems, water, heating and gas lines or pipes and any and all equipment in connection with the foregoing.

3. To exercise any or all of the powers set forth in these Articles, in the Declaration, and such general powers as a non-profit corporation shall have under the laws of the state of Washington, subject only to the limitations upon the exercise of such powers as are expressly set forth in these Articles, the Declaration and in any bylaws adopted by this corporation.

ARTICLE VI

Nothing contained in these Articles or in the Declaration shall be construed as authorizing or permitting the Association to own, manage or operate the common areas or any other real or personal property for profit.

ARTICLE VII

The address of the initial registered office of the corporation is 1101 Second Avenue, Seattle, Washington 98101 and the

name of the its initial registered agent at that address is Bruce Nishimura.

ARTICLE VIII

The initial board of directors shall consist of the following sole director:

<u>Name</u>	<u>Address</u>
Bruce Nishimura	c/o Washington Mutual Savings Bank 1101 Second Avenue Seattle, Washington 98101

Unless he resigns at a sooner date, the initial director shall serve until the first annual meeting of the members, at which time the members shall elect new directors. Members of the board of directors need not be members of the Association. The board of directors may adopt bylaws of the Association. On the Merger Date, the terms of all existing directors shall be terminated and new directors shall be elected, as provided in the bylaws.

ARTICLE IX

Each owner of record of a parcel within the boundaries of Sky Mountain shall be a member of the Association. Each member shall be entitled to one vote for each parcel within Sky Mountain owned by such member. However, if more than one person owns a single parcel, the members owning the parcel shall designate a single member who shall have the voting rights for the parcel, as set forth in the bylaws. Owners who are husband and wife shall share between them one membership. Any member who owns more than one parcel shall be entitled to as many votes as the number of parcels owned by such member. Membership shall be inseparably appurtenant to each parcel and may be transferred only with record title to each parcel within Sky Mountain. Upon transfer of ownership of a parcel, membership shall be deemed to be transferred to the grantee or contract purchaser thereof.

ARTICLE X

The liability of the members of the Association, for the acts or liabilities of the Association, shall be limited to the amount of the dues and charges which are levied against the membership in accordance with these Articles, the Declaration and any bylaws adopted by the corporation.

ARTICLE XI

If the Association for any reason is dissolved as a corporate entity, a non-profit, unincorporated association shall forthwith and without further action or notice be formed and succeed to all rights and obligations of the Association. The Owners of each parcel shall have an equal, underlying beneficial interest in all of the Association's property transferred to or beneficially owned by the unincorporated association in direct proportion to the number of parcels owned by each member. Provided, however, there shall be no judicial partition of any parcel or common area nor shall any such member or other person acquiring any interest in any parcel or common area seek any judicial partition. The unincorporated association shall be known as The Sky Mountain Homeowners' Association and its affairs shall be governed by the laws of the state of Washington and, to the extent not inconsistent, by these Articles as if they were created for the purpose of governing the affairs of an unincorporated association. As referred to herein, the term "Association" shall include the unincorporated association set forth in this Article.

ARTICLE XII

The name and address of the incorporator is Thomas E. Dixon, 1111 Third Avenue, Suite 3400, Seattle, Washington 98101.

DATED this 8th day of September, 1987.

Thomas E. Dixon
Thomas E. Dixon

