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FILED  
SECRETARY OF STATE  
OCT 17 2002  
STATE OF WASHINGTON

**ARTICLES OF INCORPORATION OF  
*THE BUTTES HOMEOWNERS' ASSOCIATION***

**ARTICLE I**

The name of this corporation is ~~The~~ Buttes Homeowners' Association.

**ARTICLE II**

This corporation has perpetual existence.

**ARTICLE III**

The purpose or purposes for which this corporation is organized are:

(1) To perform the functions of a homeowners' association for that certain residential development located in Pierce County, Washington, commonly known as The Buttes Planned Development District, including but not limited to maintaining and administering the common areas of the development, administering and enforcing the Covenants, Conditions, Restrictions and Easements for The Buttes Planned Development District dated August 7, 2002 and recorded under Pierce County Recording No. 200208090773 and Amendment No. One to Covenants, Conditions, Restrictions, and Easements dated October 10, 2002 and recorded under Pierce County Recording No. 200210111118, (together, the "Covenants"), and collecting and disbursing the assessments and charges hereinafter created. All terms not otherwise defined herein shall have the meaning ascribed to them in the Covenants.

(2) To engage in any other lawful business or activity permitted for a nonprofit corporation formed under the Washington Nonprofit Corporation Act, RCW 24.03, and a homeowners' association formed under RCW 64.38 and section 528 of the Internal Revenue Code, as same may be amended from time to time.

**ARTICLE IV**

(1) The corporation is not for profit. No part of its net earnings shall inure to the benefit of any member or other individual. No capital stock shall ever be issued and no dividends, rebates, or other allowances shall be paid to the members of this corporation from any income which it may realize or from any other source. The corporation shall not loan money or provide credit to its officers or directors. All funds received by this corporation as contributions, dues, fees or similar payments or as income, shall be exclusively held and disbursed for the purposes described in Article III. above, including reasonable salaries and fees for services rendered to or on behalf of this corporation and reimbursements for expenditures incurred by directors, officers, or members on behalf of the corporation. The corporation shall be operated for the mutual benefit of its members, in accordance with the Covenants.

(2) During the Development Period for Phase I, the Declarant shall be the sole Member of the Association. During the Development Period for Phase I, no Owner other than the Declarant shall be a Member of the Association or have any right respecting the governance or decision-making of the Association. Upon completion of the Development Period for Phase I, all Owners within Phase I shall immediately become Members of the Association, together with Declarant as described below.

(3) Declarant shall also have 120 votes within the Association until recordation of the Final Plat for Phase II, at which time Declarant shall have the voting power within the Association for each Lot created in Phase II. During the Development Period for Phase II, no Owner within Phase II other than the Declarant shall be a Member of the Association or have any right respecting the governance or decision-making of the Association. Upon completion of the Development Period for Phase II, all Owners within Phase II shall immediately become Members of the Association together with the Owners from Phase I and Declarant as described below.

(4) Declarant shall also have 70 votes within the Association until recordation of the Final Plat for Phase III, at which time Declarant shall have the voting power within the Association for each Lot created in Phase III. Declarant retains the authority and the option, until completion of the Development Period for Phase III, to transfer the interests within the Association of the Phase III Lots to the respective Owners within Phase III. Declarant may retain ownership of all or a portion of the Lots within Phase III for the uses and purposes described herein. In the event Declarant retains ownership of any Lots, Declarant shall remain a Member of the Association with voting power for each Lot owned. If upon completion of the Development Period for Phase III, Declarant decides to transfer the Phase III interests within the Association to the respective Owners, then all Owners within Phase III shall immediately become Members of the Association together with the Owners from Phases I and II. Declarant, however, unless and until it transfers the interests of the Phase III Lots within the Association to their respective Owners, shall have the sole and exclusive authority to manage and administer the portion of the Common Areas within Phase III.

#### ARTICLE V

The street address of the initial registered office of the corporation is 601 Union Street, Suite 4100, Seattle, Washington 98101-2380, and the name of the initial registered agent at such address is WKG, Inc.

#### ARTICLE VI

(1) The initial Board of Directors of the corporation shall consist of three (3) directors. The following individuals are to serve as directors until their successors are elected and qualify according to the terms of the Covenants and these Articles:

<u>Name</u>	<u>Address</u>
Tom Sturgeon	335 Park Place, Suite 110, Kirkland, WA 98033
Charles Martin	335 Park Place, Suite 110, Kirkland, WA 98033

Bruce Thompson

335 Park Place, Suite 110, Kirkland, WA 98033

Following the term of the initial Board of Directors, the Board shall be comprised of no less than three (3) and no more than five (5) directors, who shall each be elected and shall serve terms as specified in the Bylaws.

(2) In all elections for directors every member entitled to vote shall have the right to cumulate his vote and to give one candidate a number of votes equal to his vote multiplied by the number of directors to be elected, or by distributing such votes on the same principle among any number of such candidates.

#### ARTICLE VII

The name and address of the incorporator is:

Name

Address

Charles Martin

335 Park Place, Suite 110, Kirkland, WA 98033

#### ARTICLE VIII

(1) The Board of Directors shall not be authorized to alter, amend or repeal the Bylaws of the corporation, or to adopt new Bylaws unless such authority is delegated to the Board by a vote of Members holding sixty percent (60%) of the total votes held by all members.

(2) The Board of Directors in its discretion shall have the power, at the end of any calendar year, to refund membership fees collected in excess of the needs of the corporation to the members in direct proportion to their contribution of such fees.

(3) Upon the dissolution or liquidation of the corporation, the assets of the corporation shall be distributed as provided by the Washington Nonprofit Corporation Act, as same may be amended from time to time; and any assets remaining after all the liabilities and obligations of the corporation shall have been paid, satisfied, discharged, or other adequate provision made therefor, shall be distributed in proportion to prior assessments paid by members, either in cash or in kind, among all of the members of the corporation who are members in good standing on the date a resolution providing for dissolution or liquidation is adopted by the members of the corporation.

#### ARTICLE IX

(1) No director of the corporation shall be personally liable to the corporation or any of its members for monetary damages for his conduct as a director, except that this limitation on liability shall not apply to acts or omissions of the director involving intentional misconduct, a knowing violation of law by the director, any transaction from which the director will personally receive a benefit in money, property, or services to which the director is not legally entitled, or any other situation wherein applicable law prohibits the above-described limitation on the personal liability of a director.

(2) The corporation shall indemnify each of its directors and officers, the Architectural Control Committee, and any person who serves at the request of the corporation as a fiduciary of any other corporation, partnership, joint venture, trust, other enterprise, or any employee benefit plan or trust of the corporation or any other such entity, against liabilities and expenses incurred by them as a result of actions in their official capacity to the fullest extent permitted by law.

#### ARTICLE X

The corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the matter now or hereafter prescribed by law, and all rights and powers conferred herein on members and directors are subject to this reserved power.

Dated as of the 9 day of Oct, 2002.

A handwritten signature in black ink, appearing to read 'Charles E. Martin', written over a horizontal line.

Charles E. Martin, Incorporator

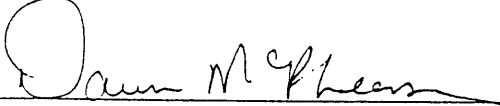
**CONSENT TO SERVE AS REGISTERED AGENT**

WKG, Inc., a Washington corporation, hereby consents to serve as Registered Agent in the State of Washington, for the following nonprofit corporation: The Buttes Homeowners' Association.

WKG, Inc. understands that as agent for said nonprofit corporation, it will be responsible to receive service of process in the name of said corporation; to forward all mail to said corporation; 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 of the Buttes Homeowners' Association.

Dated: 10/15, 2002.

WKG, INC.

By:   
Its: Secretary

Its: Secretary

601 Union Street, Suite 4100  
Seattle, Washington 98101-2380

UNANIMOUS ACTION  
OF THE DIRECTORS OF

THE BUTTES HOMEOWNERS' ASSOCIATION  
A WASHINGTON NONPROFIT CORPORATION

The undersigned, constituting all the directors of The Buttes Homeowners' Association, a Washington nonprofit corporation (the "Corporation"), acting unanimously and without a meeting pursuant to the Washington Nonprofit Business Corporations Act, hereby take the following action effective on the date indicated below:

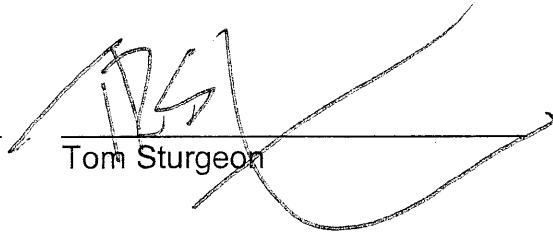
RESOLVED, that the registered agent for the Corporation shall be changed to OM& R Corporation. The registered address of the Corporation shall be 701 Pike Street, Suite 1700, Seattle, WA 98101-3930.

Effective: January 21, 2003.

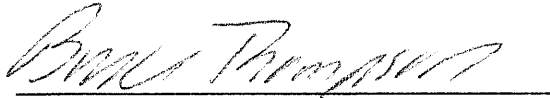
DIRECTORS:



Charles E. Martin



Tom Sturgeon



Bruce Thompson

TAX IDENTIFICATION No.

02-0654449

# UNINCORPORATED ASSOCIATION CERTIFICATE OF AUTHORITY

I, Bruce Thompson, do hereby certify that I am Secretary of

The Buttes Homeowners Association, an unincorporated association; that the following is a true, complete and correct copy of resolutions adopted at a meeting of the Board of Directors the governing body of the organization, duly and properly called and held on the October 9 day of October, 2002 that a quorum was present at said meeting; and said resolutions are now in full force and effect.

### BANK

RESOLVED, That the term "Bank" as used here in shall refer to U.S. Bank National Association

### DEPOSITS

RESOLVED FURTHER, That the Bank be and is hereby designated as a depository of this organization with authority to accept or receive at any time for the credit of this organization deposits by whomsoever made of funds and other properly in whatever form or manner transferred or endorsed; and that any officer of this organization be and is hereby authorized to open or cause to be opened one or more accounts with the Bank on such terms, conditions and agreements as the Bank may now or hereafter require and to make any other agreements deemed advisable in regard to any of the foregoing.

RESOLVED FURTHER, That checks, drafts or other orders for the payment, transfer or withdrawal of any of the funds or other property of this organization on deposit with the Bank shall be binding on this organization when signed, manually or by use of a facsimile or mechanical signature or otherwise authorized, by any one of the following persons:

Subparagraph a  the person or persons from time to time holding the following offices of this organization: President, Vice President, Assistant Vice President, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, \_\_\_\_\_ ; or

Subparagraph b  the following name individuals: Charles E. Martin, Bruce Thompson, Dave Roberts,  
Daren Anderson ; or

Subparagraph c  any person or persons designated in a written certificate signed by the \_\_\_\_\_ and the \_\_\_\_\_ of this organization (and such officers of this organization may appoint themselves as the persons authorized to sign).

The Bank is hereby authorized to pay and charge to the account of this organization any such checks, drafts or other orders so signed or otherwise authorized, including those payable to the individual order of the person or persons signing or otherwise authorizing the same and including also those payable to the Bank or to any other person for application, or which are actually applied to the payment of any indebtedness owing to the Bank from the person or persons who signed such checks, drafts or other withdrawal orders or otherwise authorized such withdrawals. In particular, and not in limitation of foregoing, such persons may authorize payment, transfer or withdrawal by oral or telephonic directions to the Bank complying with such rules and regulations relating to such authorization as the bank may communicate to this organization, from time to time.

### LOANS

RESOLVED FURTHER, That any N/A of the persons from time to time holding the following offices of this organization: \_\_\_\_\_ (insert one or two)

President, Vice President, Treasurer, Secretary, \_\_\_\_\_ and/or the following named individual(s), \_\_\_\_\_

be and are hereby authorized: (i) to borrow money and obtain other credit or financial accommodations from the Bank for and on behalf of and in the name of this organization; (ii) to sign, execute and deliver promissory notes, acceptances or other evidences of indebtedness therefor, or in renewal thereof, in such amounts and for such time, at such rates of interest and upon such terms as such person(s) may see fit; (iii) to discount, sell, assign, transfer, mortgage, or pledge to the Bank or grant security interests in favor of the Bank in the real property, goods, instruments, documents of title, securities, chattel paper, accounts, deposits, money, intangibles or any other property now or hereafter owned by this organization, either absolutely for such consideration as such person(s) may deem to be appropriate or as security for the payment or performance of any debts, liabilities or obligations to the Bank; (iv) to unconditionally guarantee payment of any or all rights to payment so transferred or of any other indebtedness owed to the Bank by any person; and (v) to do such other acts and things, to make such other agreements and to execute and deliver such other contracts or writings, such person(s) may deem to be appropriate in connection with any of the foregoing.

### OTHER SERVICES

RESOLVED FURTHER, That the person(s) so authorized to borrow money be and are hereby authorized and empowered on behalf of this organization to transact any and all other business with and through the Bank which such person(s) may at any time deem to be advisable, including, without limiting the generality of the foregoing, authority to purchase certificates of deposit, government securities, commercial paper, stocks, bonds or other forms of investments that may be sold by the Bank, and to enter into safe deposit agreements, lock-box agreements, night depository agreements, freight payment service agreements, payroll service agreements and other electronic data processing service agreements offered by the Bank, and, in reference to any such business, to make any and all agreements and to execute and deliver to the Bank any and all contracts and other writings which such person(s) may deem to be necessary or desirable.

Account Identifier:

02-0654449

FURTHER PROVISIONS

RESOLVE FURTHER, That the Secretary or an Assistant Secretary shall certify to the Bank the names and signatures (either actual or any form) or forms of facsimile or mechanical signatures adopted by the person authorized to sign) of the persons who presently are duly elected, qualified and acting as the officer or officers named in subparagraph (a) above, or any person named in subparagraph (b) above, or of any officer or person designated as authorized to sign in accordance with subparagraph (c) above, whichever of these subparagraphs may be applicable, as well as the names and signatures of all other officers and persons authorized to act on behalf of this organization under these resolutions, and the Secretary or an Assistant Secretary shall from time to time hereafter, upon a change in the facts so certified, immediately certify to the Bank the names and signatures (actual or facsimile) of the officers or persons then authorized to sign or to act, the Bank shall be fully protected in relying on such certificates and on the obligation of the Secretary or an Assistant Secretary (set forth above) to immediately certify to the Bank any change in any facts so certified, and the Bank shall be indemnified and saved harmless by this organization from any claims, demands, expenses, loss or damage resulting from or growing out of honoring or relying on the signature or other authority (whether or not properly used and, in the case of any facsimile signature, regardless of when or by whom or by what means such signature may have been made or affixed) of any officer or person whose name and signature was so certified, or refusing to honor any signature or authority not so certified.

RESOLVED FURTHER, That these resolutions shall continue in force until express written notice of their rescission or modification has been furnished to and received by the Bank.

RESOLVED FURTHER, That any and all transactions by or in behalf of this organization with the Bank prior to the adoption of this resolution (whether involving deposits, withdrawals, rediscouts or borrowings, or otherwise) be and the same hereby are in all respects ratified, approved and confirmed.

I further certify that the Board of Directors of said organization has, and at the time of adoption of said resolutions had, full power and lawful authority to adopt the foregoing resolutions and to confer the powers therein granted to the persons named, and that such persons have full power and authority to exercise the same. I further certify that the officers whose names appear below have been duly elected to and now hold the offices in this organization set opposite their respective names and the signatures appearing opposite their names are the authentic, official signatures of the said respective officers and of the named signatures who are not corporate officers.

In Witness Whereof, I have hereto subscribed my name and affixed the seal of this organization

this 9 day of December, 2002

[Signature of Daren Anderson]

Attest By One Other Officer Daren Anderson

[Signature of Bruce Thompson]

Secretary Bruce Thompson

Checking

Savings

Certificate

Money Market

Account Title The Buttes Homeowners Association

Account Number 153592274903

The signature of each person authorized to sign the account signifies agreement that the account is subject to all applicable rules and regulations governing bank accounts as may be amended from time to time. These rules are available in the bank lobby upon request of the depositor at any time. All signers acknowledge receipt of a copy of the Bank's rules and regulations.

AUTHORIZED SIGNERS

NAME/TITLE (If Any)	SAMPLE SIGNATURE
Charles E. Martin	X [Signature]
Bruce Thompson	X [Signature]
Dave Roberts	X [Signature]
Daren Anderson	[Signature]

CIS INFORMATION

REQUEST FOR FEDERAL TAXPAYER IDENTIFICATION NUMBER

I HAVE RECEIVED AND READ AN INSTRUCTION SHEET BEFORE COMPLETING BELOW. UNDER PENALTIES OF PERJURY I CERTIFY THAT:

- A. THE NUMBER SHOWN ON LINE D OF THIS FORM IS MY CORRECT TAXPAYER IDENTIFICATION NUMBER
- B. I AM NOT SUBJECT TO BACKUP WITHHOLDING AS A RESULT OF FAILURE TO REPORT ALL INTEREST OR DIVIDENDS SINCE I HAVE NOT BEEN NOTIFIED I AM SUBJECT TO OR HAVE BEEN NOTIFIED I AM NO LONGER SUBJECT TO BACKUP WITHHOLDING BY THE INTERNAL REVENUE SERVICE. (IF YOU CANNOT CERTIFY THIS, CROSS OUT STATEMENT B)
- C. I AM AN EXEMPT CUSTOMER AS LISTED IN THE INSTRUCTION SHEET..... CHECK BOX

D. X 02-0654449 SOCIAL SECURITY NO. OR EMPLOYER I.D. NO

[Signature of Dave Roberts] SIGNATURE

12/9/02 DATE

ACCOUNT OFFICER Teri D Sederstrom TDS09  
Open Date: \_\_\_\_\_ Service Officer: Amanda Truong