

**ARTICLES OF INCORPORATION
OF
KINGSGATE HIGHLANDS, DIVISIONS NUMBER ONE
AND NUMBER TWO, HOMES ASSOCIATION**

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a nonprofit corporation under the laws of the State of Washington, and we do hereby certify the following to be the agreed Articles of Incorporation of such corporation (herein for convenience referred to as Association).

ARTICLE I

The name of this corporation is KINGSGATE HIGHLANDS, DIVISIONS NUMBER ONE AND NUMBER TWO, HOMES ASSOCIATION.

ARTICLE II

The principal place of business of the corporation shall be 2911 Second Avenue, Seattle, Washington.¹

ARTICLE III

The duration of this corporation shall be perpetual.

ARTICLE IV

This corporation shall have no capital stock and no shares therein or certificated therefore shall be issued. This corporation does not contemplate pecuniary gain or profit.

ARTICLE V

This corporation shall have all the powers, privileges and authority permitted by law and, in addition, shall have the following further purposes and powers to the extent this corporation may legally exercise the same:

- (a) To own, control and operate that certain park and recreational area described as the following property in the County of King, State of Washington:

¹ Each year, in accordance with state law, the association files the current business address and financial status with the Secretary of State. At the State's request the address in the Articles of Incorporation is left as it was when KHHA was incorporated.

Tract B in Kingsgate Highlands, Division Number Two, a plat in process of final approval and recording in King County, Washington

For the use and benefit of the several owners and parties in interest in the following described lands in the said county as to which, for the purposes of these Articles, the Association will be deemed to have jurisdiction:

- (1) Said Tract B;
- (2) All property in a plat entitled Kingsgate Highlands, Division Number Two, a plat in process of final approval and recording in King County, Washington;
- (3) All property in the plat entitled Kingsgate Highlands, Division Number One as replatted and re-recorded in Volume 78 of Plats at pages 13, 14 and 15 of the records of King County, Washington, and;
- (4) Also any other property over which this Association by a two-thirds majority of the membership accepts jurisdiction. (Rev. 3-24-68)

All properties as to which this Association has such jurisdiction are herein sometimes referred to as "said property".

- (b) To care for vacant, unimproved and unkempt land in said property, remove and destroy grass, weeds and rodents therefrom, and any unsightly and obnoxious thing therefrom, and to do any other things, and perform any labor necessary or desirable in the judgment of this Association to keep the property, and the land contiguous and adjacent thereto neat and in good order.
- (c) To pay the taxes and assessments, if any, which may be levied by any governmental authority upon roads and parks in said property, and any other open spaces maintained, and lands used or acquired for the general use of the owners of lots or building sites within said property, and on any property of this Association, or which may be held in trust for this Association.
- (d) To enforce charges, restriction, conditions and covenants existing upon and created for the benefit of said property over which this Association has jurisdiction; to pay all expenses incidental thereto; to enforce the decisions and rulings of this Association having jurisdiction over any of said property; to pay all of the expenses in connection therewith. (Rev. 3-24-68)
- (e) To provide for the maintenance of tennis courts, playgrounds, water areas and other community features on land set aside for the general use of the members of said Association.
- (f) To do any and all lawful things and acts which this Association at any time, and from time to time, shall, in its discretion, deem to be to the best interests of said property and the owners of the building sites thereon, and to pay all costs and expenses in connection therewith.

- (g) Any powers and duties exercised by said Association relating to maintenance, operation, construction or reconstruction of any facility provided for herein may be contracted for with the Mac Land, Inc. and C Land, Inc., or other qualified contractor as agent.
- (h) The Association, by appropriate bylaw adopted from time to time or by resolution of its Board of Trustees adopted from time to time, may collect funds for the expenses of the Association and to meet the costs of its operations including the costs of licenses, franchises, taxes and governmental charges affecting any of the properties or activities of the Association and may fix the rate per square foot or otherwise for annual charges or other assessments to which each parcel of said property is improved with a dwelling house shall be subject. Such charges and assessments shall be established from time to time in accordance with such bylaws or resolutions and shall constitute a lien upon each parcel until paid but as a lien shall be subordinate and inferior at all times to any mortgage or mortgages now recorded or hereafter recorded as to any of said property. The Association may, on request, execute and record such further subordination agreements which may at any time by the Board of Trustees seem appropriate to further assure the priority of mortgages upon any of said property, but this provision shall not imply that any further or other subordination agreement is necessary. Such charges and assessments shall not be levied against any of said property while owned by the original developers or their successors in interest nor as to any parcel prior to the actual improvement of such parcel with a dwelling house and the initial retail sale of the same as distinguished from any wholesaling of more than one dwelling house or dwelling house site. Said charges and assessments shall be a lien enforceable by the Association in a manner substantially the same as provided by law for the collection and enforcement of mortgages together with all costs incurred by the Association including costs of title examinations, searches and reports, and for reasonable expenses and fees of attorneys. The due date, the rate of interest, penalties, late charges and other sanctions relative to charges and assessments and delinquencies therein, the procedure for dealing with delinquent accounts, and collection and enforcement of same shall be as prescribed from time to time in such bylaws or resolution of the Board.
- (i) To acquire by gift, purchase, or otherwise to own, hold, enjoy, lease, operate, maintain, and to convey, sell, lease, transfer, mortgage, or otherwise encumber, dedicate for public use, or otherwise dispose of real or personal property in connection with the business of the Association.
- (j) To expend the moneys collected by this Association from assessments or charges and other sums received by this Association for the payment and discharge of all proper costs, expenses and obligations incurred by this Association in carrying out any or all of the purposes for which this Association is formed.
- (k) To borrow money, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or

debts incurred; and to do any and all things that an association organized under the laws of the State of Washington may lawfully do, and generally do and perform any and all other acts which may be either necessary for, or proper or incidental to the exercise of any of the foregoing powers, and such powers as are granted by the provisions of the laws of the State of Washington to a nonprofit corporation.

- (1) To do any and all lawful things which may be advisable, proper, authorized or permitted to be done by this Association under and by virtue of any condition, covenants, restriction, reservation, charge, or assessment affecting said property, or any portion thereof, 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, or general welfare of the owners of said property, or any portion thereof, or residents thereon.

ARTICLE VI

The affairs of this corporation shall be managed by a Board of Trustees. The number of Trustees may be reduced to not less than five or increased to not more than fifteen. The names and addresses of the persons who shall be trustees of the Association will be furnished in the billing. The time and manner of electing trustees, the tenure of office, the provision for resignation for filling vacancies shall be as prescribed in the Bylaws.

ARTICLE VII

(Amended 11-15-81)

Membership in the Association and the terms, privileges, duties, rights and obligations thereof, and the manner of admission to membership, and the conditions and manner of termination of membership and for revocation of membership shall be as prescribed from time to time in the Bylaws but pending the adoption of Bylaws shall be as follows:

- (a) One membership shall exist for each dwelling house site in said property. A membership shall exist for each site whether or not improved with a dwelling and specifically shall exist for each such site while owned by the developers of said property or their successors.
- (b) A dwelling house site shall mean a platted lot in said property but if one or more fractional platted lots are devoted to a single dwelling house the actual dwelling house site composed of such fractional lot or lots shall be deemed a dwelling house site.
- (c) The voting power of any membership shall be exercised by concurrence of all parties in interest in any dwelling site. Owners as joint tenants or tenants in common shall exercise together a single vote. Vendors and purchasers likewise shall exercise together a single vote, but the Bylaws may prescribe that a contract purchaser of record in the absence of a contrary written notice

to the Secretary of the Association may exercise such membership to vote without concurrence of the vendor. A mortgage, lien claimant or titleholder for security only shall not be deemed a party in interest or be entitled to a membership right or vote.

- (d) Each membership shall be entitled to one vote; the intention being that there shall be one voting membership for each dwelling house site in said property.
- (e) The privileges, rights, duties and obligations of membership in respect to Association property and activities shall be as prescribed in the Bylaws. The privileges, rights, duties and obligation of spouses, children, guests, tenants and others shall be defined in the Bylaws.
- (f) All rights and privileges of membership shall cease as to any person upon ceasing to be an owner of record, or purchases by contract of record, of a dwelling site in said property. (Rev. 11-15-81)
- (g) A membership delinquent in the payment of charges, assessments or dues levied by the Association in its regular course of operation shall be subject to such limitations, restrictions, sanctions, penalties, suspension and termination as may be prescribed from time to time in the Bylaw. (Rev. 11-15-81)
- (h) No membership shall be transferable except as in incident to the transfer of the dwelling site to which it is appurtenant. However, upon transfer of a dwelling site, the transferee shall automatically acquire membership rights, privileges and obligations and shall become fully subject to the power of the Association to collect funds for the expenses of the Association pursuant to Article V, paragraph (h) of the Articles of Incorporation, regardless of whether the membership of the transferor had been terminated for any reason. Notwithstanding this paragraph, the Association may assess and collect from the transferee any charges and assessments, which were due and unpaid by the transferor at the time of transfer, and restrict privileges of membership for nonpayment. (Rev. 11-15-81)
- (i) No membership or obligation to pay charges and assessments of the Association may be terminated, except as expressly set forth herein or in the Bylaws of the Association or resolutions of the Board of Trustees from time to time. (Rev. 11-15-81)

ARTICLE VIII

Bylaws shall be adopted by the membership of the corporation according to law and may be amended from time to time in the manner therein prescribed and, in addition, so long as not inconsistent with these Articles of Incorporation or such Bylaws, the Board of trustees may by resolution adopt regulations for the government and management of business, affairs and activities of the Association and access to and enjoyment of its property and facilities subject to the revocation or amendment thereof by the membership.

