

UNITED STATES OF AMERICA

The State of



Washington

Secretary of State

I, SAM REED, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

**CERTIFICATE OF INCORPORATION**

to

SUNRISE RIDGE AT SOMERSET HILL HOMEOWNERS ASSOCIATION

A Washington Non-Profit Corporation. Articles of Incorporation were filed for record in this office on the date indicated below

UBI Number: 602 306 607

Date: June 26, 2003



Given under my hand and the Seal of the State of Washington at Olympia, the State Capital

Sam Reed  
Secretary of State

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602 306 607

JM

ARTICLES OF INCORPORATION  
OF  
SUNRISE RIDGE AT SOMERSET HILL  
HOMEOWNERS ASSOCIATION

FILED  
SECRETARY OF STATE  
JUN 26 2003  
STATE OF WASHINGTON

The undersigned, acting as incorporator of a corporation under the Washington Nonprofit Corporation Act (Ch. 24.03 RCW), adopts the following Articles of Incorporation for the corporation.

ARTICLE 1. Name

The name of the corporation is as follows: Sunrise Ridge at Somerset Hill Homeowners Association.

ARTICLE 2. Duration

The duration of this corporation is perpetual.

ARTICLE 3. Purposes

This corporation is organized to serve as an entity, established pursuant to the RCW Chapter 64.38, for the protection and maintenance of certain easements, roadways, gates and other improvements located throughout that certain development known as Sunrise Ridge at Somerset Hill, legally described on Exhibit A attached hereto (the "Property"), and to enforce and administer the covenants, conditions, restrictions and other terms set forth in that certain Declaration of Covenants, Conditions and Restrictions of Sunrise Ridge at Somerset Hill (the "Declaration"), which is to be recorded against title to the Property. The terms and definitions set forth in the Declaration are incorporated herein by this reference. In addition, the corporation is organized to engage in all such activities as are incidental or conducive to the attainment of the above objectives of the corporation, and all activities which are permitted to be done by a nonprofit corporation under any laws that may now or later be applicable or available to this corporation. Notwithstanding the foregoing, the powers of this corporation shall be subject to and shall be exercised in accordance with Washington law and the provisions of the Declaration.

ARTICLE 4. Dissolution

Upon dissolution or final liquidation of the corporation, the assets of the corporation shall be distributed among the members of the corporation in accordance with Washington law and the Declaration.

ARTICLE 5. Members

The corporation shall have one class of members, which shall consist of all of the Owners of the Lots included in the Property (as defined in the Declaration). The qualifications, rights, privileges and obligations of the members are set forth in the applicable Washington law, the Declaration and the Bylaws of the corporation.

ARTICLE 6. Registered Office and Agent

The name of the initial registered agent of the corporation is Michael Lawrence. The address of the initial registered office of the corporation is 18945 NE 20th Court, Redmond, Washington 98052.

ARTICLE 7. Directors

Subject to the terms of the Declaration, the number of directors of this corporation shall be fixed by, and may be increased or decreased from time to time in the manner specified in the Bylaws. The initial Board of

Directors shall consist of one (1) director, who shall hold office until thirty (30) days after termination of the Period of Declarant's Control, pursuant to the Declaration; provided that such Director shall hold office until a successor is duly elected and qualified. The name and address of the initial director are as following:

Gary M. Gray  
750 Market Street  
Tacoma, Washington 98402

ARTICLE 8. Limitation of Liability

A director of the corporation shall not be personally liable to the corporation or its members for monetary damages for conduct as a director, except for liability of the director (i) for acts or omissions which involve intentional misconduct by the director or a knowing violation of law by the director, (ii) for 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 (iii) for conduct violating Section 23B.08.310 of the Washington Business Corporation Act. Any repeal or modification of this Article by the directors or members of the corporation shall not adversely affect any right or protection of any individual who is or was a director of the corporation, provided such rights or protections existed at the time of such repeal or modification. If after these Articles become effective the applicable section of Washington is amended to permit further elimination or limitation of liability of a director, then, upon the effective date of the amendment and without further act, the liability of a director shall be additionally eliminated and limited to such further extent.

ARTICLE 9. Indemnification

9.1 Power to Indemnify. The corporation shall have the following powers:

(a) Power to Indemnify. The corporation shall indemnify, defend and hold harmless to the full extent permitted by applicable law each person who was or is made a party to or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any actual or threatened action, suit or other proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation or, being or having been such a director, officer, employee or agent, he or she is or was serving at the request of the corporation as a director, officer, employee, agent, trustee, or in any other capacity of another association or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action or omission in an official capacity or in any other capacity while serving as a director, officer, employee, agent, trustee or in any other capacity, against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith. Such indemnification may continue as to a person who has ceased to be a director, officer, employee or agent of the corporation and shall inure to the benefit of his or her heirs and personal representatives.

(b) Power to Pay Expenses in Advance of Final Disposition. The corporation shall pay expenses incurred in defending any such proceeding in advance of the final disposition of any such proceeding; provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made to or on behalf of a director, officer, employee or agent only upon delivery to the corporation of an undertaking, by or on behalf of such director, officer, employee or agent, to repay all amounts so advanced, if it shall ultimately be determined that such director, officer, employee or agent is not entitled to be indemnified under this Article or otherwise, which undertaking may be unsecured and may be accepted without reference to financial ability to make repayment.

(c) Power to Enter into Contracts. The corporation may enter into contracts with any person who is or was a director, officer, employee or agent of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest in property of the corporation, or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

(d) Expansion of Powers. If applicable Washington law is amended in the future to expand or increase the power of the corporation to indemnify, to pay expenses in advance of final disposition, to enter into contracts, or to expand or increase any similar or related power, then, without any further requirement of action by the Members or directors of this corporation, the powers described in this Article shall be expanded and increased to the fullest extent permitted by Washington law, as so amended.

(e) Limitation on Powers. No indemnification shall be provided under this Article to any such person if the corporation is prohibited by Washington law, as then in effect, from paying such indemnification. For example, no indemnification shall be provided to any director in respect of any proceeding, whether or not involving action in his or her official capacity, in which he or she shall have been finally adjudged to be liable on the basis of intentional misconduct or knowing violation of law by the director, or that the director personally received a benefit in money, property or services to which the director was not legally entitled.

## 9.2 Indemnification of Directors, Officers, Employees and Agents.

(a) Directors. The corporation shall indemnify, defend and hold harmless any person who is or was a director of this corporation, and pay expenses in advance of final disposition of a proceeding, to the full extent to which the corporation is empowered.

(b) Officers, Employees and Agents. The corporation may, by action of the Board of Directors from time to time, indemnify and hold harmless any person who is or was an officer, employee or agent of the corporation, and pay expenses in advance of final disposition of a proceeding, to the full extent to which the corporation is empowered, or to any lesser extent which the Board of Directors may determine.

(c) Character of Rights. The rights to indemnification and payment of expenses in advance of final disposition of a proceeding conferred by or pursuant to this Article shall be contract rights.

(d) Enforcement. A director, officer, employee or agent ("claimant") shall be presumed to be entitled to indemnification and/or payment of expenses under this Article upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the undertaking required in this Article has been delivered to the corporation) and thereafter the corporation shall have the burden of proof to overcome the presumption that the claimant is so entitled. If a claim under this Article is not paid in full by the corporation within sixty (60) days after a written claim has been received by the corporation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be twenty (20) days, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. Neither the failure of the corporation (including its board of directors, its Members or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances nor an actual determination by the corporation (including its board of directors, its Members or independent legal counsel) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

(e) Rights Not Exclusive. The right to indemnification and payment of expenses in advance of final disposition of a proceeding conferred in this Article shall not be exclusive of any other right which any

person may have or hereafter acquire under any statute, provision of the articles of incorporation, bylaws, agreement, vote of Members or disinterested directors or otherwise.

9.3 Insurance. The corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee, agent or trustee of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Washington Business Corporation Act.

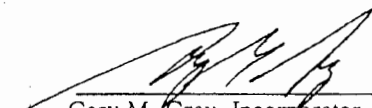
ARTICLE 10. Amendment

Any amendment to these Articles of Incorporation shall require the approval of seventy percent (70%) of the votes of the members of the corporation, through a signed written consent, and/or a vote at a duly called meeting of the corporation; provided that during the Period of Declarant's Control, any such amendment may be approved at the sole discretion of and by the sole signature of the Declarant, acting on behalf of all members through the authority granted to Declarant under the Declaration. Accordingly, during the Period of Declarant's Control, all amendments of these Articles must be approved in advance and in writing by Declarant.

ARTICLE 11. Incorporator

The name and address of the incorporator is: Gary M. Gray, 750 Market Street, Tacoma, Washington 98402.

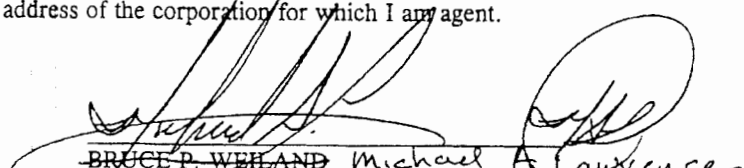
DATED AS OF June 25, 2003.

  
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Gary M. Gray, Incorporator

CONSENT TO SERVE AS REGISTERED AGENT

I, Michael Lawrence, consent to serve as Registered Agent in the State of Washington for SUNRISE RIDGE AT SOMERSET HILL HOMEOWNERS ASSOCIATION. I understand that, as agent for the corporation, it will be my responsibility to receive service of process in the name of the corporation; to forward all mail to the corporation; and to immediately notify the office of the Secretary of State in the event of my resignation or of any changes in the registered office address of the corporation for which I am agent.

DATED AS OF June 26, 2003.

  
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BRUCE P. WEILAND Michael A. Lawrence  
18945 NE 20th Court  
Redmond, Washington 98052

**EXHIBIT A**

**Legal Description of the Property**

THAT PORTION OF PARCEL "B" OF BOUNDARY LINE ADJUSTMENT NO. BLA-7279, AS RECORDED APRIL 27, 1994, UNDER AUDITOR'S FILE NO. 9404270264 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL "B"; THENCE NORTH 87°22'02" WEST ALONG THE SOUTH LINE THEREOF 1020.00 FEET; THENCE NORTH 09°35'33" WEST 184.34 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS NORTH 09°35'33" WEST 400.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09°46'18" AN ARC LENGTH OF 68.22 FEET; THENCE NORTH 19°23'47" WEST 90.00 FEET; THENCE NORTH 65°14'35" EAST 58.37 FEET; THENCE NORTH 54°33'57" EAST 58.26 FEET; THENCE NORTH 47°28'33" EAST 268.53 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS SOUTH 26°59'20" WEST 275.00 FEET; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 21°14'20" AN ARC LENGTH OF 101.94 FEET; THENCE NORTH 84°15'00" WEST 90.35 FEET; THENCE NORTH 05°45'00" EAST 50.00 FEET; THENCE SOUTH 84°15'00" EAST 28.01 FEET; THENCE NORTH 56°51'53" EAST 21.18 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT, THE RADIUS POINT OF WHICH BEARS SOUTH 70°20'45" EAST 215.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 18°27'45" AN ARC LENGTH OF 69.28 FEET; THENCE NORTH 38°07'00" EAST 29.94 FEET; THENCE NORTH 51°53'00" WEST 90.00 FEET; THENCE NORTH 38°07'00" EAST 260.00 FEET; THENCE NORTH 32°51'13" EAST 47.53 FEET; THENCE NORTH 06°47'50" EAST 203.30 FEET THENCE 83°12'10" EAST 120.00 FEET; THENCE NORTH 35°35'32" EAST 30.00 FEET TO THE SOUTHWESTERLY LINE OF RIGHT-OF-WAY DEDICATED TO THE CITY OF TUMWATER BY DEED RECORDED DECEMBER 15, 1988 UNDER AUDITOR'S FILE NO. 8812150048; THENCE SOUTH 54°24'28" EAST ALONG SAID SOUTHWESTERLY LINE 237.14 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 415.00 FEET; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE AND CURVE THROUGH A CENTRAL ANGLE OF 26°03'41" AN ARC LENGTH OF 188.77 FEET; THENCE CONTINUING ALONG SAID SOUTHWESTERLY LINE SOUTH 28°20'47" EAST 335.10 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 520.27 FEET; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE AND CURVE THROUGH A CENTRAL ANGLE OF 30°13'57" AN ARC LENGTH OF 274.52 FEET; THENCE SOUTH 01°53'10" WEST ALONG THE WESTERLY LINE OF SAID RIGHT-OF-WAY 425.17 FEET TO THE POINT OF BEGINNING.