

Revisions added with
Revision Date



STATE of WASHINGTON SECRETARY of STATE

I, **Ralph Munro**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF INCORPORATION

to

SKY MEADOWS COMMUNITY ASSOCIATION

a Washington **Non Profit** corporation. Articles of Incorporation were filed for record in this office on the date indicated below.

Corporation Number: **681 849 971**

Date: **October 12, 1987**

Given under my hand and the seal of the State of Washington, at Olympia, the State Capitol.

Ralph Munro, Secretary of State

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SECRETARY OF STATE
STATE OF WASHINGTON

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ARTICLES OF INCORPORATION

OF

SKY MEADOWS COMMUNITY ASSOCIATION

The undersigned comes for the purpose of forming a corporation under the laws and provisions of the State of Washington, RCW 24.03, does hereby adopt, endorse, and deliver in duplicate, to the Secretary of State for the State of Washington, the following Articles of Incorporation.

ARTICLE I - NAME

The name of the corporation is Sky Meadows Community Association.

ARTICLE II - DURATION

The duration of the corporation shall be perpetual.

ARTICLE III - PURPOSES AND POWERS

3.1 Purposes. This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are:

3.1.a. To provide for maintenance, preservation, and architectural control of the tracts and any common areas within that certain property described in the attached Exhibit "A", hereafter called "Sky Meadows", and to promote the health, safety, and welfare of the residents within the above-described property and any additions thereto as may be hereafter brought within the jurisdiction of this Association for such purposes;

3.1.b. To acquire, construct, maintain, and operate a domestic water system and distribute water therefrom to the tracts within Sky Meadows and other real property which the Association may elect to serve;

3.1.c. To impose water and hookup charges and levy assessments to be collected for the operation of the water system;

3.1.d. To maintain the road system and any common areas within Sky Meadows;

3.1.e. To provide for the maintenance, preservation, and operation of Association property, equipment, and facilities for the benefit of the members of the Association;

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3.2 Powers. The Association shall have the power to:

3.2.a. Fix, levy, collect, and enforce payment by any lawful means, all charges or assessments for services provided; to pay all expenses in connection therewith and expenses incidental to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

3.2.b. Acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

3.2.c. Borrow money, and with the assent of two-thirds (2/3) of Association members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

3.2.d. Dedicate, sell, or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of Association members, agreeing to such dedication, sale, or transfer;

3.2.e. Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and common area, provided that any such merger, consolidation, or annexation shall have the assent of two-thirds (2/3) of Association members;

3.2.f. Have and to exercise any and all powers, rights, and privileges which an Association organized under the non-profit laws of the State of Washington by law may now or hereafter have or exercise.

ARTICLE IV - LIMITATIONS

4.1 The Association shall have no capital stock, and no part of its net earnings shall inure to the benefit of any director, officer, or member of the Association, or any private individual.

4.2 No member, director, or officer of the Association, or any private individual shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the Association, or the winding up of its affairs. In the event of dissolution, corporate assets shall be distributed as the board of directors deems appropriate and in keeping with the requirements for maintaining the designation of the Association as a tax exempt organization, ~~if such designation had been obtained or applied for.~~ UNDER 501 (c) 3.

4.3 No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

ARTICLE V - MEMBERSHIP

5.1 Full Members. Full members of the Association shall be every owner of a fee or an undivided fee interest in any tract within Sky Meadows and every person who holds a contract purchaser's interest of record in a tract. There shall be no other qualification for membership except as set forth above. Membership shall terminate on transfer of a fee simple title by an owner or the contract purchaser's interest by the contract purchaser who qualified as a member. If an owner sells a building lot by contract of sale, upon recordation thereof the purchaser's membership shall commence, and the seller's membership based on the ownership of that tract shall cease.

5.2 Limited Members. Limited members, if any, shall be each person who contracts with, and receives from, the Association utility services who does not otherwise qualify as a full member. Limited memberships shall cease upon termination of the member's right to receive utility services from the Association.

ARTICLE VI - VOTING RIGHTS

There shall be two classes of voting membership. Full members will be entitled to one vote for each tract in which they hold the interest required for membership by Article V above. Limited members shall be entitled to one vote for each utility service connection and the votes of limited members shall be restricted to such business of the Association, including amendment of the articles of incorporation or By-Laws, that is directly related to the utility service(s) received by the limited member. If more than one person holds any such interest or interests, all such persons shall be members, but the vote for each membership shall be exercised as the persons holding such interest shall determine between themselves, provided that in no event shall more than one vote be cast with respect to any such membership.

ARTICLE VII - REGISTERED OFFICE

The initial registered office of the Association is 1205 Midway Blvd., Oak Harbor, Washington 98277, and the initial registered agent at such address is John C. Coffin.

ARTICLE VIII - BOARD OF DIRECTORS

Section 1. The initial board of directors shall be composed of three (3) directors. However, the number of directors on the board shall be established in the By-Laws of the Association and said number may be varied from time to time by amendment to said By-Laws adopted by the members, or by the directors in the manner provided therein. Provided: the number of directors on the board may not be increased to a number exceeding five (5) nor decreased to a number less than three (3).

(rev 7/14/2014)

Section 2. The directors must be be members of the Association; however, other qualifications, terms of office, manner of election, time and place of meeting, and the powers and duties of the directors shall be such as are prescribed by the By-Laws of the Association.

Section 3. In furtherance of and not in limitation of the powers conferred by the laws of the State of Washington, the board of directors is expressly authorized to make, alter, and repeal the By-Laws of the Association, subject to the power of the members of the Association to change or repeal such By-Laws.

Section 4. The names and addresses of the first directors of the Association, who shall serve until the annual meeting of members or until their successors are elected, are as follows:

<u>Name</u>	<u>Address</u>
Frances J. Bode'	1644 S.W. 35th Street Bellevue, Washington 98008
Charles Reisdorff, Jr.	1732 North Beach Drive Oak Harbor, Washington 98277
<u>Sherill West</u>	<u>P.O. Box 326</u> <u>Oak Harbor, Wa. 98277</u>

ARTICLE IX - AUTHORITY TO DEDICATE

The Association shall have power to dedicate, sell, or transfer all or any part of the common properties to any municipal corporation, public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless approved by vote of not less than two-thirds of the board of directors of the Association.

The Association shall have the power to exchange any part of the common properties for a like amount of property contiguous to such common property provided that the board of directors of the Association by unanimous vote of all the members of the board of directors then in office finds: (a) that such an exchange will be beneficial to the Association; and, (b) that the value of the property exchanged is at least equal to the value of the common properties involved in the exchange.

Section 5. Director 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, or (ii) for any transaction from which the director will personally receive a benefit in money, property or services to which the director is not entitled. If the Washington Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Washington Nonprofit Corporation Act, as so amended. Any repeal or modification of the foregoing paragraph by the members of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

Section 6. Indemnification.

6.1. The corporation has the power to indemnify, and to purchase and maintain insurance for its directors, officers, trustees, employees, and other persons and agents, and (without limiting the generality of the foregoing) shall indemnify its directors, against all liability, damage, and expenses arising from or in connection with service for, employment by, or other affiliation with this corporation or other firms or entities to the maximum extent and under all circumstances permitted by law.

6.2. Each person who was or is made a party 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 proceeding, whether civil, criminal, administrative or investigative, by reason of that fact that he or she is or was a director or officer of the corporation or, being or having been such a director or officer, he or she is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation 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 in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent or in any other capacity, shall be indemnified and held harmless by the corporation to the full extent permitted by applicable law as then in effect, 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 or reasonably incurred or suffered by such person in connection herewith. Such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators. No indemnification shall be provided under this Article VIII to any such person if the corporation is prohibited by the nonexclusive provisions of the Washington Nonprofit Corporation Act or other applicable law as then in effect from paying such indemnification, or if in the opinion of counsel payment of such indemnification would subject the corporation to imposition of excise taxes under the Code or would cause the corporation to lose its tax exempt status (if any) from federal income taxation. The right to indemnification conferred in this section shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expense in advance of the final disposition of a proceeding shall be made to or on behalf of a director or officer only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer 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.

6.3. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition 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 (if any) or disinterested directors or otherwise.

6.4. The corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent 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 Nonprofit Corporation Act. The corporation may enter into contracts with any director or officer of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest 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.

6.5. The corporation may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to officers, employees and agents of the corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the corporation or pursuant to rights granted pursuant to, or provided by, the Washington Nonprofit Corporation Act or otherwise.

ARTICLE IX - AUTHORITY TO DEDICATE

The Association shall have power to dedicate, sell, or transfer all or any part of the common properties to any municipal corporation, public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless approved by vote of not less than two-thirds of the board of directors of the Association.

The Association shall have the power to exchange any part of the common properties for a like amount of property contiguous to such common property provided that the board of directors of the Association by unanimous vote of all the members of the board of directors then in office finds: (a) that such an exchange will be beneficial to the Association; and, (b) that the value of the property exchanged is at least equal to the value of the common properties involved in the exchange.

ARTICLE XI - AMENDMENTS

11.1 Articles of Incorporation. Amendment of these articles shall require the assent of two-third (2/3) of the votes of members who are voting in person or by proxy at a meeting called to consider such amendment. However, the voting requirements specified for any action under any provision of these articles shall only be amended in accordance with the voting requirements thus specified.

11.2 By-Laws. The authority to make, alter, amend, or repeal the Association's By-Laws is vested in the board of directors and may be exercised at any regular or special meeting of the board.

ARTICLE XII - INCORPORATOR

The name and address of the incorporator is John C. Coffin,
1205 Midway Blvd., Oak Harbor, Washington 98277.

IN WITNESS WHEREOF, the incorporator hereinabove named has hereunto set his hand in duplicate this 12th day of October, 1987.

John C. Coffin

SUBSCRIBED AND SWORN TO before me this 12th day of October, 1987.

Notary Public in and for the State of
Washington, residing at -----
My commission expires -----

CONSENT TO APPOINTMENT AS REGISTERED AGENT

I, John C. Coffin, hereby consent to serve as Registered Agent, in the State of Washington, for the corporation herein named. 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 change in the Registered Office address of the corporation for which I am agent.

October 12, 1987
Date

John C. Coffin
Signature