

**ARTICLES OF INCORPORATION**  
**OF**  
**SKY HARBOR HOMEOWNERS' ASSOCIATION**

The undersigned, acting as an incorporator under the provisions of the Washington Nonprofit Corporation Act (Chapter 24.03 of the Revised Code of Washington), hereby adopts the following Articles of Incorporation:

**ARTICLE I**  
**NAME**

The name of the Corporation shall be Sky Harbor Homeowners' Association (the "Association").

**ARTICLE II**  
**DURATION**

The term of existence of the Association shall be perpetual.

**ARTICLE III**  
**PURPOSES**

The purposes for which the Association is formed are:

1. To provide for maintenance, preservation and architectural control of the residential lots, and the development and maintenance of the common areas, within that certain tract of property, (the "Property") described on *Exhibit A*, attached hereto and incorporated by this reference, and to promote the health, safety, and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association. Without limitation, the Association may:

(a) exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, herein called the "Declaration," applicable to the Property, and to be recorded in the office of the County Auditor of Snohomish County, Washington as the same may be amended from time to time as therein provided, the Declaration being incorporated herein as if fully set forth;

(b) exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in those certain Bylaws of the **Sky Harbor Homeowners' Association**, as the same may be amended from time to time as therein provided;

(c) fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments pursuant to the terms of the Declaration, and pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property;

(d) 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;

(e) borrow money, and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(t) 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 approved as set forth in the Declaration;

(g) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and common areas; and

(h) join, participate, or otherwise become a member in any organization which the Board of Directors deems to be in the interest of the Association;

2. To extend to the general public use and enjoyment of areas owned and maintained by the Association.

3. To engage in any other lawful activity which may hereafter be authorized from time to time by the Board of Directors; provided, however, that the purposes for which the Association is formed shall at all times be consistent with Section 501(c)(4) of the Internal Revenue Code of 1986, as it now exists or as hereafter amended (the "Code") and provided further that nothing herein contained shall be deemed to authorize or permit the Association to carry on any business, to exercise any power, or to do any act which a corporation may not at any time lawfully carry on or do under the Washington Nonprofit Corporation Act, or any amendment thereto or substitute therefor.

#### ARTICLE IV LIMITATIONS

1. The Association shall not have or issue shares of stock.

2. No part of the net earnings of this Association shall inure in whole or in part to the benefit of, or be distributable to members, directors, officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Articles. The Association shall not engage in a regular business of the kind carried on for profit. Notwithstanding any provision of these Articles, the Association shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(4) of the Code.

ARTICLE V  
MEMBERSHIP/VOTING RIGHTS

Every owner of a lot which is subject to assessment by the Association shall be a member of the Association. Owners shall be entitled to one vote for each lot owned. When more than one person or entity owns an interest in any lot, the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot, nor shall any vote be divided. The voting rights of any owner may be suspended as provided in the Declaration, or in the Articles or Bylaws of the Association. The right to vote may not be severed or separated from any lot, and any sale, transfer, or conveyance of a property interest to a new owner or owners shall operate to transfer the appurtenant vote without the requirement of any express reference thereto.

ARTICLE VI  
BOARD OF DIRECTORS

The management of this Association shall be vested in a Board of Directors. The number of directors and the method of selecting directors shall be fixed by the Bylaws. The initial directors shall be two (2) in number, and their names and addresses are:

**Tony R. Kastens**  
**10515 - 20" Street SE, Suite 100**  
**Everett, WA 98205**

**Patrick L. McCourt**  
**10515 - 20<sup>th</sup> Street SE, Suite 100**  
**Everett, WA 98205**

The above directors shall serve until the first annual meeting of members and until their successors are elected and qualified.

ARTICLE VII  
BYLAWS

Authority to make, alter, amend or repeal Bylaws is vested in the Board of Directors, and may be exercised at any regular or special meeting of the Board of Directors. All rights of members of the Association are granted subject to this reservation.

ARTICLE VIII  
INDEMNIFICATION

The Association shall indemnify an individual made a party to a proceeding because the individual is or was a director against all liability, damage, or expense to the maximum extent and under all circumstances permitted by the Washington Nonprofit Corporation Act, as the Act now exists or may hereafter from time to time be amended, except that the Association shall not indemnify a director against liability, damage, or expense resulting from the director's gross negligence. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the Association

existing at the time of such repeal or modification for or with respect to an act of such director occurring prior to such repeal or modification.

ARTICLE IX  
LIMITATION OF DIRECTORS' LIABILITY

A director shall have no liability to the Association or its members for monetary damages for conduct as a director, except for acts or omissions that involve intentional misconduct by the director, or a knowing violation of law by the director, or 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. If the Washington Nonprofit Corporation Act currently allows, or is hereafter amended to authorize, corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be eliminated or limited to the full extent permitted by the Washington Nonprofit Corporation Act, as amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the Association existing at the time of such repeal or modification for or with respect to an act or omission of such director occurring prior to such repeal or modification.

ARTICLE X  
DISTRIBUTIONS UPON DISSOLUTION

Upon dissolution of the Association, other than incident to a merger or consolidation, (1) all liabilities and obligations of the Association shall be paid, satisfied and discharged, or adequate provision shall be made therefor; (ii) the net assets of the Association shall be dedicated to an appropriate organization selected by the directors of the Association prior to dissolution to be used for purposes similar to those for which this Association was created.

ARTICLE XI  
AMENDMENTS

The Association reserves the right to amend, alter, change or repeal any provisions contained in its Articles of Incorporation in any manner now or hereafter prescribed or permitted by statute. Members shall have voting rights with regard to the question.

ARTICLE XII  
REGISTERED OFFICE/AGENT

The street address of the Registered Office of this Association in the State of Washington and the name of its Registered Agent is:

**David J. Sprinkle**  
**10515-20<sup>th</sup> Street SE, Suite 100**  
**Everett, WA 98205**

ARTICLE XIII  
INCORPORATOR

The name and post office address of the incorporator of this Association are as follows:

**David J. Sprinkle**  
**10515 - 20<sup>th</sup> Street SE, Suite 100**  
**Everett, WA 98205**

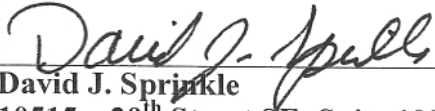
IN WITNESS WHEREOF, the incorporator named below has signed these Articles, in duplicate, this 18th day of August, 2004.

  
\_\_\_\_\_  
David J. Sprinkle, Incorporator

**CONSENT TO SERVE AS REGISTERED AGENT**

I, **David J. Sprinkle**, hereby consent to serve as Registered Agent in the State of Washington for the nonprofit corporation, **SKY HARBOR HOMEOWNERS' ASSOCIATION**. I understand that as Registered 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 Registered Agent.

Dated this 18th day of August, 2004.

  
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David J. Sprinkle  
10515 – 20<sup>th</sup> Street SE, Suite 100  
Everett, WA 98205

## EXHIBIT A

### PARCEL A:

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 8 EAST, W.M.;  
EXCEPT THE NORTH 10 FEET OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 33;  
AND EXCEPT THE FOLLOWING DESCRIBED PROPERTY:  
COMMENCING AT THE WEST QUARTER CORNER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 8 EAST, W.M.;  
THENCE NORTH 88°35'49" EAST ALONG THE EAST-WEST CENTERLINE OF SAID SECTION 33, 30.00 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF THE COUNTY ROAD, SAID POINT BEING THE POINT OF BEGINNING OF THE PARCEL BEING DESCRIBED;  
THENCE NORTH 0°20'56" WEST ALONG SAID RIGHT OF WAY, 330.06 FEET;  
THENCE NORTH 88°35'49" EAST PARALLEL TO SAID EAST-WEST CENTERLINE, 660.00 FEET;  
THENCE SOUTH 0°20'56" EAST PARALLEL WITH THE WEST LINE OF SAID SECTION 33, 330.06 FEET TO A POINT ON SAID EAST-WEST CENTERLINE;  
THENCE SOUTH 88°35'49" WEST ALONG SAID EAST-WEST CENTERLINE, 660.00 FEET TO THE POINT OF BEGINNING;  
AND EXCEPT THAT PORTION LYING WITHIN SULTAN BASIN ROAD.  
TOGETHER WITH THE WEST 20 FEET OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 8 EAST, W.M.;  
EXCEPT THE NORTH 10 FEET THEREOF.  
SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

### PARCEL B:

THE WEST 20 FEET OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 8 EAST, W.M.;  
EXCEPT THE NORTH 10 FEET THEREOF

### PARCEL C:

THE WEST 10 ACRES OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 33 TOWNSHIP 28 NORTH RANGE 8 EAST W.M.; EXCEPT THE WEST 20 FEET THEREOF, AND;  
EXCEPT THAT PORTION THEREOF, IF ANY, LYING WITHIN THE EAST 10 ACRES OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION.

EXCEPT THAT PORTION THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE WEST 10 ACRES OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH RANGE 8 EAST, W.M.;  
THENCE SOUTH 88°27'30" WEST ALONG THE NORTH LINE THEREOF 470 FEET MORE OR LESS TO THE CENTERLINE OF AN EXISTING UNNAMED CREEK;  
THENCE SOUTHEASTERLY ALONG SAID CREEK CENTERLINE 538 FEET MORE OR LESS TO THE EAST LINE OF SAID 10 ACRE TRACT AND THE TERMINUS OF SAID DESCRIBED

CENTERLINE, SAID TERMINUS LYING SOUTH 0°04'13" WEST 255 FEET MORE OR LESS FROM THE POINT OF BEGINNING.

PARCEL D:

ALL THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 8 EAST, WILLAMETTE MERIDIAN, EXCEPT ANY PORTION THEREOF LYING WITHIN SULTAN BASIN ROAD RIGHT OF WAY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 33;  
THENCE SOUTH 00°47'42" EAST, ALONG THE WEST LINE OF SAID NORTHWEST QUARTER A DISTANCE OF 10.00 FEET;  
THENCE NORTH 88°00'57"EAST, PARALLEL WITH THE NORTH LINE OF SAID SOUTH HALF A DISTANCE OF 664.48 FEET TO THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER THE NORTHWEST QUARTER OF SAID SECTION 33;  
THENCE NORTH 00°35'04" WEST A DISTANCE 10.00 FEET ALONG SAID EAST LINE;  
THENCE NORTH 88°00'57" EAST A DISTANCE OF 755.79 FEET;  
THENCE NORTH 00°47'42" WEST A DISTANCE OF 32.64 FEET;  
THENCE SOUTH 87°37'50" WEST A DISTANCE OF 91.05 FEET TO A POINT ON THE EAST LINE OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 33, SAID POINT LYING 32.03 FEET NORTHERLY OF THE SOUTHEAST CORNER OF SAID SUBDIVISION;  
THENCE SOUTH 87°37'50" WEST A DISTANCE OF 339.12 FEET TO THE EAST LINE OF THE WEST 990 FEET OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 33;  
THENCE SOUTH 00°47'42"EAST ALONG SAID EAST LINE A DISTANCE OF 9.74 FEET; THENCE SOUTH 88°00'57" WEST PARALLEL WITH AND 20 FEET NORTHERLY OF THE SOUTH LINE OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 33 A DISTANCE OF 990.21 FEET TO THE WEST LINE OF SAID NORTHWEST QUARTER;  
THENCE SOUTH 00°47'42" EAST A DISTANCE OF 20.00 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF THE EASEMENT KNOWN AS EXHIBIT C, DATED MARCH 10, 1992 AND RECORDED UNDER RECORDING NUMBER AF#9211020803 AND THE NORTH 10 FEET OF THE WEST 20 FEET OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 8 EAST, W.M.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.