

FEB 18 1981

SECRETARY OF STATE  
STATE OF WASHINGTON

ARTICLES OF INCORPORATION  
OF  
UPLAND GREEN COMMUNITY ORGANIZATION

Conner Development Company, a Washington corporation, hereby executes these Articles of Incorporation in triplicate for the purpose of forming a corporation under Chapter 24.06 of the Revised Code of Washington as a mutual corporation as follows:

ARTICLE I

The name of this corporation shall be UPLAND GREEN COMMUNITY ORGANIZATION.

ARTICLE II

The period of duration of this corporation shall be perpetual.

ARTICLE III

The purposes for which the corporation is organized are:

(a) to own, control, maintain, operate, repair, reconstruct and manage property, easements and other property rights for the mutual benefit of its shareholders;

(b) to make determinations under and enforce restrictions, covenants and other agreements and instruments to keep and preserve the aesthetic appearance and environment of various properties for the mutual benefit of its shareholders;

(c) to provide such other supplies, benefits and services for the mutual benefit of its shareholders; and

(d) to enter into contracts and do and perform all other things incident to such functions as may be required or authorized by applicable law, restrictive covenants and agreements.

All of the foregoing shall be limited to the real property in that part of the Northwest quarter of the Southwest quarter of Section 22, Township 26 North, Range 5 East, W.M., together with adjacent lands, if any, in King County, Washington, which prior to December 31, 1985, is made a part of the residential development of Upland Green from time to time by recordation of a declaration of restrictive covenants made by the incorporator, or its assigns. This corporation shall not engage in

any business, vocation or profession for profit, provided that this corporation may accumulate reserves, equity, surpluses and other funds from subscriptions, fees, dues and assessments and from charges made to its shareholders and others for services, supplies and benefits furnished.

#### ARTICLE IV

This corporation shall have capital stock and the proprietary interests of the corporation shall be divided into two classes of shares. The classes of shares and their respective preferences, limitations and relative rights are as follows:

(a) Class A Shares. There shall be 1,000 Class A shares with a par value of One Dollar (\$1.00) each. Each Class A share shall be entitled to one vote for each matter which may come before any meeting of shareholders of the corporation. Each Class A share issued shall be entitled to participate in and receive pro rata any distribution on liquidation of this corporation after the par value of any Class B share then outstanding has been returned and shall be entitled to participate pro rata in any other distribution for the corporation on account of its equity, accumulated reserves, surplus or other funds. Class A shares shall be issued only in the following manner:

(i) No more than one Class A share shall be issued and outstanding at any time for each residential building lot shown on the plats of real property included in Upland Green as defined in Article III.

(ii) Each Class A share issued on account of a lot shall be issued to the person, persons, party or parties who own the lot. No Class A shares so issued nor any interest therein may be transferred except incident to and as an appurtenant part of the transfer of the lot for which the share was originally issued.

(b) Class B Shares. There shall be 3,000 Class B shares with a par value of Ten Cents (\$.10) each. Each Class B share shall have one vote for each matter which may come before any meeting of shareholders of the corporation. No Class B share shall be entitled to participate in or receive any distribution upon liquidation of this corporation except for the return of its par value, nor shall it be entitled to any other distribution from the corporation or on account of its equity, accumulated reserves, surplus or other funds. The holders of Class B shares may surrender and contribute such shares at their option to the corporation for cancellation, and upon such surrender, the shares shall be cancelled, terminated and no longer a part of the authorized shares of this corporation. The holders of

Class B shares must surrender and contribute such shares, if not sooner done, not later than December 31, 1987 or at such time as 75% of the residential building lots in Upland Green as defined in Article III have had single family residences constructed thereon and are or have been occupied as residences, whichever comes first. If not so surrendered, then the corporation may redeem such shares at their par value by notice to the shareholders of Class B shares and tender of such par value.

The corporation shall not be authorized to issue any additional shares than as authorized above without the unanimous consent of its shareholders.

#### ARTICLE V

The shareholders shall have no preemptive right to acquire additional shares of this corporation.

#### ARTICLE VI

The corporation may distribute any part of surplus funds of the corporation pro rata to the holders of the Class A shares from time to time as the directors may deem advisable in their discretion.

#### ARTICLE VII

On dissolution of the corporation, the assets of the corporation shall be distributed to the shareholders as provided in Article IV.

#### ARTICLE VIII

No dissenting shareholder shall be entitled to receive more than the consideration paid to the corporation for the shareholder's shares or the fair value of such shares, whichever sum is less, notwithstanding any provision of law for the payment of fair value to a dissenting shareholder.

#### ARTICLE IX

The address of the initial registered office of this corporation is 846 - 108th Avenue Northeast, Bellevue, Washington 98004, and the name of its initial registered agent at such address is William M. Conner.

#### ARTICLE X

The initial board of directors shall be three in number.

The names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors be elected and qualify are:

|                |  |
|----------------|--|
| Charles Conner | 4904 - 159th Pl. S.E.<br>Bellevue, WA 98006  |
| Robert Dwinell | 16520 - 164th N.E.<br>Woodinville, WA 98072  |
| Jeanette Jones | 11010 S.E. 25th Street<br>Bellevue, WA 98004 |

#### ARTICLE XII

The name and address of the incorporator is Conner Development Company, 846 - 108th Avenue Northeast, Bellevue, Washington 98004.

#### ARTICLE XIII

A director or officer of this corporation shall not be disqualified by his office from dealing or contracting with this corporation as vendor, purchaser, creditor, debtor or otherwise. No loans exceeding or more favorable than those which are customarily made to shareholders shall be made by the corporation to its directors or officers. The fact that any director or officer, or any firm of which any director is a shareholder, director or officer, is in any way interested in any transaction or contract shall not make the transaction or contract void or voidable, or require the director or officer to account to this corporation for any profits therefrom if the transaction or contract is or shall be authorized, ratified or approved by (i) the written consent of the holders of a majority of the shares entitled to vote or (ii) a general resolution approving the acts of the directors and officers adopted at a shareholders' meeting by vote of the holders of the majority of the shares entitled to vote. Nothing herein contained shall create any liability in the events above described or prevent the authorization, ratification or approval of such transactions or contracts in any other manner.

#### ARTICLE XIV

Section 1. As used in this Article:

(a) "Director" means any person who is or was a director of this corporation and any person who, while a director of this corporation, is or was serving at the request

of this corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan.

(b) "Corporation" includes any domestic or foreign predecessor entity of this corporation in a merger, consolidation, or other transaction in which the predecessor's existence ceased upon consummation of such transaction.

(c) "Expenses" includes attorneys' fees.

(d) "Official capacity" means: (i) When used with respect to a director of this corporation, the office of director, and (ii) when used with respect to a person other than a director, the elective or appointive office in this corporation held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of this corporation.

(e) "Party" includes a person who was, is, or is threatened to be, made a named defendant or respondent in a proceeding.

(f) "Proceeding" means any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative.

Section 2. Any person made a party to a proceeding by reason of the fact that the person is or was a director, shall be and hereby is indemnified against the reasonable expenses actually incurred by him in connection with the proceeding, unless such person shall have been adjudged to be liable to the corporation in a proceeding by or in the right of a corporation. Except in the case of an action by or in the right of a corporation, such person shall be and hereby is indemnified and held harmless against judgments, penalties, fines and settlements in and in connection with the proceeding. The indemnification shall be subject to the condition that the person (a) in all cases conducted himself in good faith, (b) in the case of conduct in the person's own official capacity in the corporation, the person reasonably believed his conduct to be in the corporation's best interests or, in all other cases, he reasonably believed his conduct to be at least not opposed to the corporation's best interests, and (c) in the case of any criminal proceeding, the person had no reasonable cause to believe his conduct was unlawful. Thus, to the extent permitted by law, this corporation intends fully to indemnify and save harmless any such person; except that no person shall be indemnified in any proceeding charging the person with improper personal benefit if the person is adjudged to be liable because he

received an improper personal benefit.

Section 3. Each officer of the corporation shall be indemnified to the same extent as a director, except that Section 9 of this Article shall not apply to any person other than a director.

Section 4. The termination of any proceeding by judgment, order, settlement, conviction or upon plea of nolo contendere or its equivalent shall not of itself be determinative that the person did not meet the conditions for the indemnification. A person who has been wholly successful in the defense of a proceeding on the merits or otherwise shall be entitled to an order of indemnification for expenses from the court as provided by law.

Section 5. The corporation shall not pay any indemnification in a specific case unless it is determined that as a condition to payment the person has met the requisite standard of conduct described in Section 2 of this Article. A person shall have been deemed to have met the conditions of indemnification unless and until a contrary determination has been made by (a) written consent or majority vote of the directors of the corporation who are a quorum of directors who are not at the time parties to the proceeding, (b) by a written opinion of counsel selected and qualified and subject to limitations as required by law in these cases, or (c) the shareholders, other than shares held by persons parties to the proceeding, provided that the person shall have made written demand upon the corporation sixty (60) days prior for a determination and the corporation, its directors and shareholders have failed to act. No director shall be denied the right to indemnification under this Article XIV by virtue of any asserted inconsistency between this Section 5 and any provision of law relating to the determination of the conditions to making an indemnification. Such conditions may also be determined in accordance with those provisions.

Section 6. The corporation shall pay or reimburse reasonable expenses incurred by a director or officer who is a party to a proceeding in advance of final disposition of the proceeding if the conditions for such advance reimbursement as provided by law are met. A director or officer who is not a party to a proceeding shall be reimbursed for expenses incurred for appearance as a witness therein.

Section 7. For the purpose of this Article, the corporation shall be deemed to have requested a director to serve an employee benefit plan where the performance by him of his duties to the corporation also imposes duties on, or otherwise

involves services by, him to the plan or participants or beneficiaries of the plan; excise taxes assessed on a director with respect to an employee benefit plan pursuant to applicable law shall be deemed "fines"; any action taken or omitted by him with respect to an employee benefit plan in the performance of his duties for a purpose reasonably believed by him to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is not opposed to the best interests of the corporation.

Section 8. This corporation may purchase and maintain insurance on behalf of any person who is, or was a director, officer, employee, or agent of the corporation or is or was serving at the request of the corporation as an officer, employee or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under law.

Section 9. The payment of any indemnification to a director under this Article shall be reported to the shareholders with the notice of the next shareholders' meeting or prior thereto in a written report containing a brief description of the proceedings involving the person being indemnified and the nature and extent of such indemnification. Such report may be made by the particular person who is indemnified.

Section 10. In the event that any Section, part or provision of this Article shall be declared invalid or unenforceable by any court of competent jurisdiction, such determination shall not affect any other provision of this Article which shall remain in full force and effect. The provisions of this Article are intended to comply with, implement and be consistent with the provisions of law relating to indemnification of officers and directors.

Executed in triplicate this 18<sup>th</sup> day of February,  
19 81.

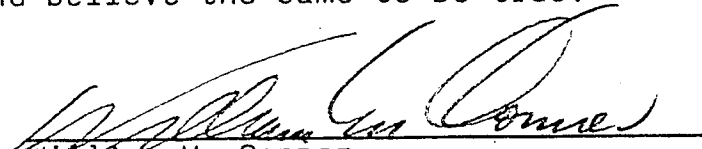
CONNER DEVELOPMENT COMPANY  
a Washington corporation

By William M. Conner  
William M. Conner

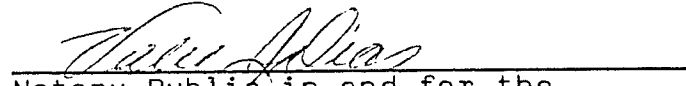
STATE OF WASHINGTON )  
                          ) ss.  
COUNTY OF KING      )

WILLIAM M. CONNER, being first duly sworn, on oath, deposes and says:

I am the president of Conner Development Company, a corporation and am duly authorized to make this verification on its behalf, have read the foregoing Articles of Incorporation, know the contents thereof and believe the same to be true.

  
\_\_\_\_\_  
William M. Conner

SUBSCRIBED AND SWORN TO before me this 18<sup>th</sup> day  
of February, 1980.

  
\_\_\_\_\_  
Notary Public in and for the  
State of Washington, residing at  
Subland