

# ARTICLES OF INCORPORATION

OF

## JESSE'S BLUFF HOMEOWNERS ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS that ROBERT L. HEITMAN, JR. being over the age of eighteen (18) years, and for the purposes of forming a corporation under the Miscellaneous and Mutual Corporations Act of the State of Washington hereby certifies and adopts in duplicate the following Articles of Incorporation.

### ARTICLE I

#### NAME

The name of the corporation (hereafter called "the Association") is JESSE'S BLUFF HOMEOWNERS ASSOCIATION, and is a nonprofit corporation.

### ARTICLE II

#### DURATION

The Association shall exist perpetually.

### ARTICLE III

#### PURPOSES AND POWERS OF THE ASSOCIATION

This Association does not contemplate the distribution of gains, profits, or dividends to its members. The specific primary purposes for which it is formed are to provide for the acquisition, construction, management, operation, administration, maintenance, repair, improvement, preservation and architectural control of Association property within that certain subdivision and planned unit development situated in the County of Spokane, legally known and commonly referred to as JESSE'S BLUFF including all phases contained herein and to promote the described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for such Conditions and Restrictions ("the Declaration") recorded or to be recorded with respect to said property in the office of the auditor of Spokane County.

In furtherance of said purposes, and subject to the approval of members as required by the Declaration, the Bylaws or by the law of the State of Washington, this Association shall have power to:

- (a) Perform all of the duties and obligations of the Association as set forth in the Declaration;
- (b) Fix, levy, collect, and enforce assessments and fines as set forth in the Declaration;

(c) Pay all expenses and obligations incurred by the Association in the conduct of business, including, without limitation, all licenses, taxes or governmental charges levied or imposed against the Association property;

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

(e) Make contracts and incur liabilities, 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;

(f) Dedicate, sell, transfer, or grant easements over all or any part of any Association 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.

(g) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, or annex additional property to the property managed by the Association.

(h) Have and exercise any and all powers, rights, and privileges which a corporation organized under the Miscellaneous and Mutual Corporations Act of the State of Washington by law may now or hereafter have or exercise.

#### **ARTICLE IV** **MEMBERS AND MEMBERSHIP**

1. Non-Stock Corporation. Participation in management and ownership of the Association shall be by membership only. The Association shall issue no stock and shall have no shareholders.

2. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Association shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association. Membership shall be in accordance with these Articles of Incorporation and the Bylaws of the Association and shall be subject to all covenants and restrictions of record which have been duly recorded with the County Auditor in Spokane County.

3. Transferred Membership. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the lot to which it is appurtenant, and then only to the new owner. Any attempt to make a prohibited transfer is void. In the event the owner of any lot should fail or refuse to transfer the membership registered in his name to the purchaser of his lot, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

4. Membership Voting: Transfer of Control. Each member of the Association, being each owner of a lot in such subdivision, shall be entitled to one vote. The Declarant, however, shall have authority pursuant to the Covenants to delay activation of the Association as provided for in the Covenants.

Pursuant to the Covenants, Declarant has the authority to activate the Association upon written notice by Declarant to the owners of all lots in the project, which notice shall establish an initial meeting of the membership. Prior to such activation, Declarant shall assume all duties and responsibilities of the Association, provided, that the owners may be assessed pursuant to the Covenants prior to activation of the Association.

5. Limitation of Payment to Dissenting Member. Membership in the Association is appurtenant to and cannot be segregated from the ownership of a lot within the jurisdiction of the Association. Except upon dissolution of the Association, a dissenting member shall not be entitled to any return of any contribution or other interest in the Association.

## **ARTICLE V**

### **INITIAL REGISTERED OFFICE AND AGENT**

The initial registered office of the Association shall be 8225 North Division, Spokane, Washington 99208 and the initial registered agent at such address shall be ROBERT L. HEITMAN, JR.

## **ARTICLE VI**

### **BOARD OF DIRECTORS**

The affairs of this Association shall initially be managed by a single director who need not be a member of the Association, until transfer of control to the Board to the general membership which shall occur as is set forth in Article IV(4) above, after which time all affairs of the Association shall be managed by a Board of Directors consisting of one Director from each Phase and the Declarant as an additional Director until all lots in the entire project have been transferred by the Declarant, after which time Declarant shall no longer be a Director. Subsequent to transfer of control of the Board to the general



membership by Declarant, all Directors must be members of the Association except for Declarant. The number of directors may be changed by amendment of the Bylaws of the Association. The name and address of the person who shall act as the initial director shall be:

<u>NAME</u>	<u>ADDRESS</u>
Robert L. Heitman, Jr.	8225 N. Division Spokane, Washington 99208

## **ARTICLE VII**

### **INCORPORATOR**

The incorporator's name and address of Jesse's Bluff Homeowners Association is as follows:

Robert L. Heitman, Jr.  
8225 N. Division, Spokane, Wa. 99208

## **ARTICLE VIII**

### **DISSOLUTION**

In the even of the dissolution, liquidation, or winding up of the Association, after paying or adequately providing for the debts and obligations of the Association, the directors or persons in charge of the liquidation shall divide the remaining assets equally among the members of the Association.

## **ARTICLE IX**

### **AMENDMENT OF ARTICLES**

These Articles may be amended by Declarant at any time without a vote of the members prior to activation of the Association. After activation the Articles may be amended by a vote of the majority of the members of the Association with Declarant being entitled to three votes for each lot still owned by Declarant.

## **ARTICLE X**

### **INTERPRETATION**

In the event that any provision hereof is inconsistent with or in derogation of the Declaration of Covenants, Conditions and Restrictions, the provisions of the Declaration shall be deemed to control.

**ARTICLE XI**  
**INDEMNIFICATION**

The Association shall indemnify all of its Directors and Officers, and its former Directors and Officers, to the maximum extent authorized by law, against expenses incurred by them, including without limitation legal fees and judgments and penalties rendered or levied against them or any of them in any legal action brought against any such person or actions or omissions alleged to have been committed by any such person while acting within the scope of his or her employment as a Director or Officer of the Association, provided that the Board of Directors shall determine in good faith that such person did not act, fail to act, or refuse to act willfully or with gross negligence, or with fraudulent or criminal intent in regard to the matter involved in the action, and provided further that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933, and provided further that the Association shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the Association, at its own expense and through counsel of its own choosing, to defend him or her in any such legal action. Whenever any such present or former Director or Officer shall report to the President of the Association or the Chairman of the Board of Directors that he or she has incurred or may incur any such expenses, the Board of Directors shall, at its next regular meeting or at a special meeting held within a reasonable time thereafter, determine in good faith whether such person acted, failed to act, or refused to act willfully, with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action, indemnification shall be mandatory and shall be automatically extended as specified herein, except as otherwise provided hereinbefore.

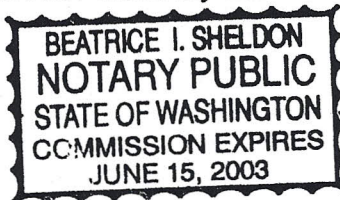
For the purpose of forming this Association under the laws of the State of Washington, I, the undersigned, constituting the incorporator of this corporation, have executed these Articles of Incorporation on this 20<sup>th</sup> day of June, 2000.

  
ROBERT L. HEITMAN, JR.

STATE OF WASHINGTON )  
 )ss.  
County of Spokane )

On this day personally appeared before me ROBERT L. HEITMAN, JR., to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 20 day of JUNE, 2000.



*Beatrice I. Sheldon*  
NOTARY PUBLIC in and for the State  
of Washington, residing at Spokane.  
My commission expires 6/15/03

#### CONSENT TO APPOINTMENT AS REGISTERED AGENT

I, ROBERT L. HEITMAN, JR., do hereby consent to serve as registered agent for the corporation, JESSE'S BLUFF HOMEOWNERS ASSOCIATION.

DATED this 20 day of JUNE, 2000

*Robert L. Heitman, Jr.*  
ROBERT L. HEITMAN, JR.  
8225 N. Division  
Spokane, Washington 99208