



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

PATTISON LAKE TOWNHOMES HOMEOWNERS
ASSOCIATION

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

UBI Number: 601 905 638

Date: October 06, 1998



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

Ralph Munro, Secretary of State
2-588871-0

U31# 601 905 638

2-588891-0

ARTICLES OF INCORPORATION
OF
PATTISON LAKE TOWNHOMES
HOMEOWNERS ASSOCIATION

FILED
STATE OF WASHINGTON
OCT 06 1998
RALPH MUNRO
SECRETARY OF STATE

The undersigned, in order to form a nonprofit corporation under Chapter 24.03 of the Revised Code of Washington, and a Condominium Management Association under Section 528 of the Internal Revenue Code, hereby signs the following articles of incorporation:

ARTICLE I - NAME

The name of the corporation is Pattison Lake Townhomes Homeowners Association (the "Corporation").

ARTICLE II - DURATION

The duration of the Corporation shall be perpetual.

ARTICLE III - REGISTERED AGENT

The initial registered office of the Corporation is 4808 Archer Drive S.E., Olympia, WA 98513 and the initial registered agent at such address is Jay Kobza.

ARTICLE IV - PURPOSES, POWERS, AND
LIMITATION OF POWERS

4.1 Purposes and Powers.

4.1.1 The Corporation is organized and shall be operated exclusively for operating, managing and maintaining the Pattison Lake Townhomes (the "Condominium"), a condominium (as defined by RCW 64.34.020(a)) created by the Declaration and Covenants, Conditions, Restrictions and Reservations for Pattison

Val: 10/06/1998 - 161258
\$50.00 on 10/06/1998
Check - 10/06/1998 - 2331

Lake Townhomes filed in Thurston County under File No. _____ in Volume _____ of Condominiums pages _____ through _____ (the "Declaration").

4.1.2 The Corporation shall have the general power to the full extent provided by law to manage and maintain the Condominium subject to the limitations stated in these Articles, the Declaration, and I.R.C. § 528.

4.2 Limitations.

4.2.1 The Corporation shall receive at least 60% of its gross income from membership dues, fees, or assessments from the Members (as hereinafter defined).

4.2.2 The Corporation shall expend 90% or more of all its funds to operate, manage and maintain the Condominium.

4.2.3 The Corporation shall not permit any part of its net earnings to inure to the benefit of any Member or private individual other than by maintaining and managing the Condominium or by a rebate of excess membership dues, fees, and assessments.

ARTICLE V - MEMBERSHIP AND VOTING

All Condominium unit owners, including the person or entity creating the Condominium ("Declarant") if such person or entity owns a unit, shall be members of the Corporation (the "Unit Owners"). The Members shall have the voting rights granted in the Declaration and shall be subject to all qualifications and restrictions in the Declaration. Pursuant to RCW 64.34.300, upon termination of the Condominium, the Unit Owners shall consist of all of the unit owners at time of termination entitled to distribution of proceeds under RCW 64.34.268 or their heirs,

successors or assigns.

ARTICLE VI - DISSOLUTION

The board of directors shall dissolve the Corporation upon the termination of the Condominium according to the procedures outlined in RCW 64.34.268. In the event of such dissolution, unless members having at least eighty percent (80%) of the total votes in the Corporation elect to sell the assets of the Corporation, such assets shall be held by the Members as tenants in common.

ARTICLE VII - MANAGEMENT

7.1 The Board of Directors, who shall manage the affairs of the Corporation, shall consist of three (3) directors elected among the Unit Owners and the initial Board of Directors shall consist of three (3) directors. The Declarant shall appoint the directors of the initial Board of Directors. The Unit Owners other than the Declarant shall elect one of the three initial directors at a special meeting called by the Declarant no later than sixty (60) days after the conveyance of twenty-five percent (25%) of the units in the Condominium. The Unit Owners, including Declarant, shall elect replacements for the remaining two (2) directors at a special meeting of the Unit Owners, called by the Declarant, no later than the earlier of: (a) three (3) years from the first conveyance of record of a unit except as security for debt; (b) two (2) years from the date of the last conveyance of record of a unit except as security for a debt; or (c) sixty days from the date on which the Declarant shall have

closed the sale of seventy-five percent (75%) of the units. Thereafter, the number, qualifications, term of office, manner of election, time and place of meetings, and powers and duties of directors shall be as set forth in the bylaws of the Corporation and the Declaration. In case of vacancies in the Board of Directors by death, resignation, or otherwise, except by removal of a director and election of a successor, a majority, though less than a quorum, of the remaining directors may elect directors to fill the vacancies.

7.2 The names and addresses of the initial directors who will manage the affairs of the Corporation until the first annual election of directors, as provided in the bylaws, or until their successors are duly elected and qualified are:

Name: Jay Kobza
Address: 4808 Archer Drive S.E.
Olympia, WA 98513

Name: E. Shelley Kobza
Address: 4808 Archer Drive S.E.
Olympia, WA 98513

Name: John Sugden
Address: First Pacific Marketing, Ltd.
4850 California Avenue S.W.
Suite 200
Seattle, WA 98116

7.3 The Board of Directors may by resolution, passed by a majority of the entire Board of Directors, designate two or more directors to constitute an executive committee which shall have and exercise the authority of the Board of Directors in the management of the business of the Corporation to the extent

provided in the resolution.

ARTICLE VIII - INDEMNIFICATION OF DIRECTORS

Except directors or officers elected or appointed by the Declarant who breach a fiduciary duty owed to the Unit Owners, every director and officer shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his being or having been a director or officer of the Corporation, or any settlement thereof, whether or not he or she is a director or officer at the time such expenses are incurred, except in such cases where the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement, the indemnification provided herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Corporation. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

IN WITNESS WHEREOF, I hereto set my signature this 28th day
of SEPTEMBER, 1998

INCORPORATOR:



JOSEPH D. PUCKETT

Address:

900 Fourth Avenue, Suite 1400
Seattle, WA 98164

CONSENT TO SERVE AS REGISTERED AGENT

I, Jay A. Kobza, hereby consent to serve as Registered Agent, in the State of Washington, for the following corporation:

Pattison Lake Townhomes 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.

9/30/98
(Date)

Jay A. Kobza
Jay A. Kobza
4808 Archer Drive S.E.
Olympia, WA 98513