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STATE OF WASHINGTON

MAY 18 1993

RALPH MUNRO
SECRETARY OF STATE

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ARTICLES OF INCORPORATION

OF

PHEASANTS HOLLOW HOMEOWNERS ASSOCIATION

In compliance with the requirements of Title 24, Revised Code of Washington, as amended, the undersigned, a resident of the state of Washington over the age of eighteen (18) years, for the purpose of forming a non-profit corporation, hereby executes and adopts, in duplicate the following Articles of Incorporation, and certifies as follows:

ARTICLE I

Name

The name of the corporation shall be PHEASANTS HOLLOW HOMEOWNERS ASSOCIATION.

ARTICLE II

Registered Office and Address

The address of the initial registered office and the name of the corporation's initial registered agent at such address is:

Name

Inge Harding

Address

205 Lake Street South
Suite 101
Kirkland, WA 98083

ARTICLE III

Purposes and Powers of the Corporation

This corporation does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation, landscaping and architectural control of certain of the residence lots and the common properties, within that certain tract of property described in the Plat of Pheasants Hollow 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 by annexation, as provided in Article VIII herein, and for these purposes:

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

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

(c) To 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;

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

(e) To have and to exercise any and all powers, rights, and privileges which a corporation organized under the Non-profit Corporation laws of the state of Washington by law may not or hereafter have or exercise.

ARTICLE IV

Membership

Every person or entity who is the contract purchaser or record owner of a fee interest in any lot in the various Divisions of the Plat of Pheasants Hollow, records of King County, State of Washington, shall be a member of the Association; provided, however, that if any lot is held jointly by two (2) or more persons, the several owners of such interest shall designate one (1) of their number as the "member." 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 separate from ownership of or the contract purchaser's interest in any lot which is subject to assessment by the Association, except that the incorporators shall be eligible for membership without regard to ownership of an interest in the properties. Upon transfer of the fee interest to,

or upon the execution and delivery of a contract for the sale of (or of an assignment of a contract purchaser's interest in) any lot, the membership and certificate of membership in the Association shall ipso facto be deemed to be transferred to the grantee, contract purchaser, or new contract purchaser, as the case may be. Ownership of, or a contract purchaser's interest in, any such lot shall be the sole qualification for membership.

ARTICLE V

Voting Rights

The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all those owners as defined in Article IV, with the exception of the Declarant.

Class A members shall be entitled to one (1) vote for each lot in which they hold the interest required for membership by Article IV. When more than one person holds such 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 (1) vote be cast with respect to any lot.

Class B. Class B members shall be the Declarant (as defined in the Declaration), and three (3) votes shall exist for each lot in which Declarant holds the interest required for membership by Article IV, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in the Class A membership equals eighty percent (80%) of the total votes outstanding; or
- (b) On the 1st day of January, 2000.

ARTICLE VI

Board of Directors

The affairs of this corporation shall be managed by a Board of Directors who need not be members of the Association. The initial Board of Directors shall consist of three (3) Directors. The names and addresses of the persons who are to act in the capacity of Directors until the first annual meeting are:

<u>Name</u>	<u>Address</u>
Herb Chaffey	205 Lake Street South Suite 101 Kirkland, WA 98083
Robert Chaffey	205 Lake Street South Suite 101 Kirkland, WA 98083
Inge Harding	205 Lake Street South Suite 101 Kirkland, WA 98083

At the first annual meeting, the members shall elect one (1) Director for a term of one (1) year; one (1) Director for a term of two (2) years; and one (1) Director for a term of three (3) years; and at each annual meeting thereafter, the members shall elect one (1) Director for a term of three (3) years.

ARTICLE VII

Liabilities

The highest amount of indebtedness or liability to which this corporation may be subject at any one time shall not exceed one hundred fifty percent (150%) of its income for the previous fiscal year, provided that additional amounts may be authorized by the assent of two-thirds (2/3) of the voting power of the Association.

ARTICLE VIII

Annexation of Other Properties

Section 1. The Association may, at any time, annex additional residential properties and common areas to the properties described in Article III, and so add to its membership under the provisions of Article IV; provided that annexation of additional properties, other than properties described in Section 2 hereof, shall require the assent of two-thirds (2/3) of the voting power of the Association.

Section 2. If, within fifteen (15) years from the date of recording of the Declaration of Covenants, Conditions and Restrictions applicable to the properties described in Article III, the Declarant or its successor in interest should develop additional lands adjoining the properties, such additional lands may be annexed to the existing property by the Declarant without a vote of this Association.

ARTICLE IX

Authority to Mortgage

Any mortgage by the Association of the common properties defined in the Declaration shall have the assent of two-thirds (2/3) of the voting power of the Association.

ARTICLE X

Authority to Dedicate

The Association shall have power to dedicate or transfer all or any part of the common properties owned by it to any governmental unit or public agency or authority or public utility for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the voting power of the Association entitled to vote has been recorded, agreeing to such dedication or transfer.

ARTICLE XI

Dissolution

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the voting power of the Association. Upon dissolution of the Association, the assets, both real and personal, of the Association shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable to the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused, such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust, or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

ARTICLE XII

Duration

This corporation shall exist perpetually.

ARTICLE XIII

Meeting for Actions Governed by Articles VII through XI

In order to take action under Articles VII through XI, there must be a duly held meeting. Written notice, setting forth the purposes of the meeting, shall be given to all members not less

than ten (10) days nor more than fifty (50) days in advance of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the voting power shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting must be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half (1/2) the required quorum of the preceding meeting. In the event that two-thirds (2/3) of the members are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

ARTICLE XIV

Amendments

Amendment of these Articles by the Association so as to change the name, its purpose, the place where its principal place of business will be, or the duration of its existence, shall be by affirmative vote of a majority of the voting power of the Association, but amendment of any other provision of these Articles shall require the affirmative vote of seventy-five percent (75%) of the voting power of the Association.

ARTICLE XV

Indemnification of Directors and Officers

Directors of this corporation shall not be liable to the corporation or its members for damages caused by an action or inaction taken by the Director in good faith. This provision may not limit a Director's liability for acts involving intentional misconduct such as a knowing violation of the law or a knowing breach of the Director's fiduciary duty to the corporation.

Directors and officers of this corporation shall be indemnified and held harmless from and against any damages, liabilities, judgments, penalties, fines, settlements, and reasonable expenses (including attorneys' fees) actually incurred as a result of all actions undertaken by said officers or director in good faith, and (a) in the case of conduct in his own official capacity with the corporation, he reasonably believed his conduct to be in the corporation's best interests or (b) 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 proceedings, he had no reasonable cause to believe this conduct was unlawful. Said officers and directors shall be indemnified and held harmless to the full extent permitted by law.

IN WITNESS WHEREOF, for the sole purpose of forming this corporation under the laws of the state of Washington, the undersigned, constituting the incorporator of this corporation, has executed these Articles of Incorporation this 13 day of

May 1993

CHAFFEY CORPORATION

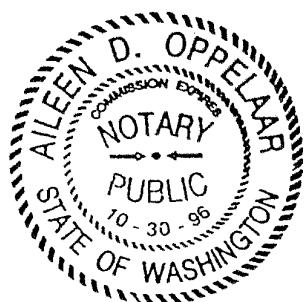
Inge Harding 5/13/93
Inge Harding, Incorporator
205 Lake Street South
Suite 101
Kirkland, WA 98083

STATE OF WASHINGTON)
)
COUNTY OF KING) ss.

On this 13 day of May, 1993, there appeared before me Inge Harding, to me known to be the person described in and who executed the foregoing Articles of Incorporation of Pheasants Hollow Homeowners Association, and acknowledged and declared to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year first set forth above.

Aileen D. Oppelaar
NOTARY PUBLIC in and for the state
of Washington, residing at:
Kirkland
My Commission Expires: 10-30-96



CONSENT TO SERVE AS REGISTERED AGENT

I, Inge Harding, hereby consent to serve as Registered Agent, in the state of Washington, for the following corporation:

PHEASANTS HOLLOW 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.

Date: 5/13, 1993

Inge Harding

Inge Harding

Address:

205 Lake Street South
Suite 101
Kirkland, WA 98083