

ARTICLES OF INCORPORATION

MAY 19 1969

of

JEFFERSON BEACH ESTATES COMMUNITY, INC.

A. LUDLOW KRAMER
SECRETARY OF STATE
BY *[Signature]*

In compliance with the requirements of the laws of the State of Washington, the undersigned, all of whom are residents of the State of Washington, and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I.

The name of the corporation is JEFFERSON BEACH ESTATES COMMUNITY, INC., hereafter called the "Association".

ARTICLE II.

The principal office of the Association is located at:

Jefferson Beach Estates
Kingston, Washington.

ARTICLE III.

Harry Eastone, c/o Jefferson Beach Estates, Kingston, Washington, is hereby appointed the initial registered agent of this association.

ARTICLE IV.

PURPOSE AND POWERS OF
THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for development, maintenance, preservation, and architectural control of the Common Area within that certain tract of property described as:

Plat of Jefferson Beach Estates, as recorded in Volume 9 of Plats, pages 54, 55, and 56, records of Kitsap County, Washington, and

Jefferson Beach Estates No. 2, as recorded in Volume 13 of Plats, pages 18 and 19, records of Kitsap County, Washington, and

Jefferson Beach Estates No. 3, as recorded in Volume 13 of Plats, page 49, records of Kitsap County, Washington.

and any additions thereto as may hereafter be brought within the jurisdiction, of this Association by annexation, as provided in Article IX herein. and for this purpose to:

(a) fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the By-Laws; to 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 of the Association;

(b) 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;

(c) borrow money, to 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

(d) have and to exercise any and all powers, rights, and privileges which a corporation organized under the Non-profit Corporation Law of the State of Washington by law may now or hereafter have or exercise.

ARTICLE V.

MEMBERSHIP

Every person or entity who is a purchaser or owner of a fee or undivided fee interest in any Lot which is subject by covenants 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. Ownership of such Lot shall be the sole qualification for membership as defined in Article II section 6 of By-Laws.

ARTICLE VI.

VOTING RIGHTS

The Association shall have one class of voting membership. Members shall be those Owners as defined in Article V. Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article V. When more than one person holds such interest in any Lot, all such persons shall be members. 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. A member shall not be eligible to vote during any period in which his payments of any assessment or charges payable to the Association are in default.

ARTICLE VII.

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of five (5) Directors. The number of Directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of temporary Directors for a period of not to exceed six (6) months from the date of these Articles are as follows:

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|----------------------|--|
| 1. Carl Benward | 4306 - 8th. N.E.
Seattle, Washington; |
| 2. Robert Mulliger | 20063 - 15th. N. W.
Seattle, Washington; |
| 3. Merrill A. Munson | 12717 Greenwood North
Seattle, Washington; |
| 4. Roy Brunzel | Jefferson Beach Estates
Kingston, Washington; |
| 5. H. K. Schroeder | 16040 Aurora Ave. N.
Seattle, Washington |

At the first annual meeting, which shall be held not less than two (2) months, nor more than six (6) months from the date of these Articles, the members shall elect one (1) Director for a term of one (1) year, one (1) Director for a term of two (2) years, one (1) director for a term of three (3) years, one (1) Director for a term of four (4) years, and one (1) Director for a term of five (5) years; and at each

annual meeting thereafter, the members shall elect one (1) Director for a term of five (5) years.

ARTICLE VIII

LIABILITIES

- A. Indebtedness or liability, direct or contingent to which this Association may be subject may be authorized by the assent of a majority of the votes of the eligible members as provided in Article XV (15).
- B. Indebtedness may be incurred by the assent of a majority of the Board of Directors provided the indebtedness incurred by the Directors in any year shall not exceed the sum of the annual assessments receivable that year.

ARTICLE IX

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. The Association may, at any time, annex additional residential properties and common areas to the properties described in Article IV, and so add to its membership under the provisions of Article V, Provided that any such annexation shall have the assent of a majority of votes of the eligible members as provided under Article XV (15). A meeting duly called for this purpose shall require written notice to be sent to all members not less than thirty (30) days, nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

At this meeting, the presence of members or of proxies entitled to cast sixty percent (60%) of all of the votes of the eligible membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE X.

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of a majority of the votes of the eligible members

as provided under Article XV (15) of these Articles.

ARTICLE XI.

AUTHORITY TO MORTGAGE

A. Any mortgage of the Associations Common Area, defined in the Declaration must be authorized by the assent of a majority of the votes of the eligible members of the Association as provided under Article XV (15).

ARTICLE XII.

AUTHORITY TO DEDICATE

The Association shall have power to 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 an instrument has the assent of a majority of the votes of the members entitled to cast votes as provided under Article XV (15) of these Articles.

ARTICLE XIII.

DISSOLUTION

The Association may be dissolved with the assent of a majority of the votes of the members as provided in Article XV (15).

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 the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, 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 XIV.

DURATION

The corporation shall exist perpetually.

ARTICLE XV.

MEETINGS FOR ACTIONS GOVERNED BY ARTICLES

In order to take action under these Articles of Incorporation there must be a duly held meeting. Written notice, setting forth the purpose of the meeting shall be given to all members not less than thirty (30) days, nor more than sixty (60) days, in advance of the meeting. The presence of members or of proxies eligible and entitled to cast sixty percent (60%) of the votes of the eligible to vote members and proxies shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. A majority of the votes of eligible members present or by proxy at any of the above duly called meetings shall be binding on the entire membership for the action to be taken.

ARTICLE XVI.

AMENDMENTS

Amendment of these Articles shall require the assent of a majority of the eligible votes and proxies of the membership as provided under Article XV of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of Washington, we the undersigned constituting the incorporators of this Association, have executed these Articles of Incorporation this 7th day of June, 1921.

Carl Benward
Carl Benward

Robert Mulliger
Robert Mulliger

Merrill A. Munson
Merrill A. Munson

Roy Brenzel
Roy Brenzel

H. K. Schroeder
H. K. Schroeder

STATE OF WASHINGTON

COUNTY OF

On this 7th day of June, 1921, personally

appeared before me, CARL BENWARD, ROBERT MULLIGER, MERRILL A. MUNSON, ROY BRENZEL, and H. K. SCHROEDER, to me known to be the individuals who executed the within and foregoing Articles of Incorporation, and stated under oath that they did so as their own free and voluntary act and deed for the uses and purposes herein set forth.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year first above set forth.

Notary Public in and for the State
Of Washington, residing at _____