

**Articles of Incorporation  
for  
Valley Green Community Organization,  
A Washington Nonprofit Corporation**

The undersigned incorporator in order to incorporate VALLEY GREEN COMMUNITY ORGANIZATION as a nonprofit corporation in accordance with Chapter 24.03 of the Revised Code of Washington hereby signs in duplicate these Articles of Incorporation:

**Article I. Name**

The name of this corporation is **Valley Green Community Organization.**

**Article II. Duration**

The period of duration of this corporation shall be perpetual.

**Article III. Purpose**

The purposes for which this corporation is organized are to promote the welfare and interests of the residents of Valley Green, Division I, under the covenants and restrictions to be recorded in King County, Washington, which are applicable to the property within the plat of Valley Green, Division I, and other properties (.referred to herein as the Covenants) by administering and enforcing the Covenants governing the use of the property subject thereto, engaging in civic improvement and development activities, acquiring, owning, improving, managing, repairing, maintaining and operating real and personal property for the benefit of its members, and to do such things as may be necessary and convenient to accomplish all such purposes.

**Article IV. Internal Regulations**

Section 1. Lots. As used in these Articles, lot or Lots shall refer to lots in the plats which are subject to the Covenants.

Section 2. Memberships. There shall be a maximum of one membership for each lot and no more memberships. Membership in this corporation shall be appurtenant to and not severable from such fee ownership or vendee's interest and shall transfer and terminate with transfers and termination of such interests without further action on the part of this corporation or its several members. Membership shall stand in the name or names of the persons or parties who from time to time are record fee title owners of lots which are not subject to a recorded contract for purchase and sale and who from time to time are the holders of the vendee's interest under a recorded contract for purchase and sale of lots. The holders of the memberships shall be members of this corporation.

Section 3. Assessments. Each membership shall be subject to assessment in an amount determined by the directors for administrative costs of the corporation; for maintaining, repairing, improving,

reconstructing, replacing and regulating any property which the corporation may acquire; and for such other costs involved in accomplishing the corporate purposes. The assessments shall be equally applied against each membership. The members who hold the membership shall be jointly and severally liable for assessments against the membership.

Section 4. Voting. Each membership shall be entitled to exercise one vote on each matter presented to the membership for consideration. There shall be no cumulative voting. A party which holds more than one membership shall have one vote for each membership it holds. The manner of exercising the vote shall be as set forth in the Bylaws.

Section 5. Term of Initial Board. The members of the initial board of directors shall serve for an initial term until 75% of the Lots have had single family residences constructed thereon and are or have been occupied as residences or until December 31, 1996, whichever first occurs. Any vacancy occurring in the initial board of directors, regardless of the cause therefor, shall be filled by the action or the remaining directors on the board.

Section 6. Election of Directors. Upon the expiration of the initial term of the initial board of directors, three directors shall be elected by the membership. One director shall be elected for a term of two years and two directors shall be elected for a term of one year. The term of such directors shall end on the day of the month on which the annual meeting of membership is held; provided that in any event each of such directors shall serve a term of at least one full year. Thereafter, at the expiration of the term of each of such directors, a director shall be elected for a term of two years to fill the vacancy. In any event, each director shall serve until a successor is elected and qualified and shall be elected at an annual meeting of members.

Section 7. Qualification of Directors. After the initial term of directors ends, no person shall be qualified to be elected as director of this corporation or to continue to hold office as director of this corporation unless such person is a member of this corporation, except that the employee of a corporation which is a member or is a partner of a partnership which is a member and the employee of a partnership which is a member shall be qualified to serve as director of this corporation.

Section 8. Reserves. As determined by its directors, from time to time this corporation may establish and maintain reasonable reserves for maintenance and replacement of its property.

Section 9. Amendment. This Article IV shall not be amended without the unanimous consent of all memberships entitled to vote, except that after the initial term of the initial board of directors

expires, the number of directors and their terms of office may be amended by a majority vote of the membership.

#### **Article V. Initial Registered Agent**

The address of the initial registered office of the corporation is 6510 Southcenter Blvd., Suite 1, Tukwila, Washington, 98188, and the name of the initial registered agent of this corporation at such address is Schneider Homes, Inc., a Washington corporation.

#### **Article VI. Initial Board of Directors**

The initial board of directors shall be constituted of three directors. The names and addresses of the persons who are to serve as the initial directors are:

Harry J. Schneider	6510 Southcenter Blvd., Suite 1 Tukwila, Washington 98188
Murray D. Dick	6510 Southcenter Blvd., Suite 1 Tukwila, Washington 98188
Johanna M. Colman	6510 Southcenter Blvd., Suite 1 Tukwila, Washington 98188

#### **Article VII. Incorporator**

The name and address of the incorporator is Schneider Homes, Inc., 6510 Southcenter Blvd., Suite 1, Tukwila, Washington, 98188.

#### **Article VIII. Distribution on Dissolution**

In the event the corporation is dissolved, the net assets of the corporation shall be distributed in equal shares one share for each membership to the parties holding such memberships as their interests may appear.

#### **Article IX. Indemnification**

No director shall be personally liable to the corporation, or to any of its members for monetary damages for conduct as a director; provided that this provision shall not eliminate or limit the liability of a director for acts or omissions that involve intentional misconduct by the director or a knowing violation of law by a director or for any transaction from which the director will personally receive a benefit in money, property, or services to which the director is not legally entitled. In addition to and without limiting the foregoing, to the full extent permitted by law each officer and director of this corporation shall be indemnified by the corporation from and on account of any liability for acts or omissions occurring during the course of business or activities undertaken on behalf of the corporation. This indemnification shall include indemnification against all costs and expenses, including attorneys' fees, litigation costs, civil penalties, fines and other charges incurred incident

thereto. However, this indemnification shall not apply in any action by or on behalf of the corporation against an officer or director in which action the officer or director has been adjudged liable to the corporation or to any proceeding charging improper personal benefit to the officer or director, whether or not involving action in the officer's or director's official capacity, in which proceeding the officer or director has been adjudged liable on the basis of the officer's or director's improper receipt of a personal benefit. To the extent that it is necessary for the directors to implement this indemnification, at the request of an officer or director, the directors shall take such action as is appropriate and allowable to implement this indemnification.

**DATED:** June 9th, 1993.

**SCHNEIDER HOMES, INC.**  
a Washington corporation

By           //signed//            
Gerald E. Schneider, President

## Consent to Serve as Registered Agent

SCHNEIDER HOMES, Inc., a Washington corporation, hereby consents to serve as Registered Agent, in the State of Washington, for:

### Valley Green Community Organization a Washington nonprofit corporation

We understand that as agent for the corporation, it will be our 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 our resignation, or of any changes in the registered office address of the corporation for which we are agent.

DATED: June 9th, 1993.

SCHNEIDER HOMES, INC.  
a Washington corporation

By           //signed//            
Gerald E. Schneider, President

6510 Southcenter Blvd., Suite 1  
Tukwila, Washington 98188