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**STATE of WASHINGTON      SECRETARY of STATE**

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I, **Ralph Munro**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

**CERTIFICATE OF INCORPORATION**

to

**LICORICE FERN II HOMEOWNERS ASSOCIATION**

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

U.B.I. Number:      601 599 137

Date:      January 18, 1995



Given under my hand and the seal of the State of Washington, at Olympia, the State Capitol

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Ralph Munro, Secretary of State

2-504064-3



LICORICE FERN II HOMEOWNERS ASSOCIATION  
ARTICLES OF INCORPORATION

**COPY**  
FILED  
STATE OF WASHINGTON

JAN 18 1995

RALPH MUNRO  
SECRETARY OF STATE

601-599-137

I, the undersigned person, acting as the incorporator of a corporation under the provisions of the Washington Non-profit Corporation Act, (Chapter 24.03 RCW), adopt the following Articles of Incorporation ("Articles") for such corporation.

**ARTICLE I**

**Name**

The name of the corporation shall be the LICORICE FERN II HOMEOWNERS ASSOCIATION.

**ARTICLE II**

**Duration**

The period of duration shall be perpetual.

**ARTICLE III**

**Purposes**

The purpose for which this corporation is organized shall be as follows:

1. To acquire, hold in trust, and maintain the monument entrance signs, and their appurtenant landscaping, for Plats (Phases I, II, and III) of Licorice Fern II, ("Entry Tracts"), located on easements to be recorded with the King County Office of Records and Elections, Washington, for the benefit of the Owners of Lots Numbers One (1) through Thirty-three (33) for Phase I, Numbers One (1) through Thirty-four (34) of Phase II, and Numbers One (1) through Eighteen (18) of Phase III, all of the three King County Plats known as Licorice Fern II, to be filed of record with the King County Auditor, situate in King County, State of Washington ("Lot Owners", or "Owner").

2. To acquire, hold in trust, and maintain those certain open space tracts, not accepted by dedication to the King County Parks Department ("Tracts"), if any should exist following finalization of the Plats, and as described on the Plat Maps, for the benefit of the Lot Owners.

3. To contract with Water District # 90 for the operation and maintainance of the twelve or more street lights and their appurtenant fixtures within the Plats ("Street Lights"), for the benefit of the Lot Owners, the maintainance and operation of which the District does not bill directly.

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4. To create and oversee an Architectural Review Board, for the purpose of ensuring the architectural and aesthetic integrity of any improvements located on the Lots within the Plats, for the benefit of the Lot Owners.

5. For such other lawful purposes as deemed appropriate.

6. To establish and collect assessments against each member of the corporation for the maintenance of the Tracts and Entry Tracts, to provide for the maintenance and operations of the street lights, to provide for the costs and expenses, if any, of the Architectural Review Board, and for such other lawful purposes ("Obligations"), as approved by the Board of Directors, for the mutual benefit of all the Lot Owners. Dues shall be established in accordance with a budget, established by the Board of Directors. Dues shall be assessed annually and collected against each Lot to provide the funds required to meet the Lot Owners' Obligations, to provide and pay all taxes and assessments, if and when levied by the State or any municipal corporation on said Tracts, Entry Tracts or Street Lights, and for any and all other lawful purposes as determined by the Board of Directors.

#### ARTICLE IV Powers

The corporation shall have all powers provided for a non-profit corporation under RCW 24.03.035, except that the corporation shall have no power to sell real property or real property interests held in trust by it for the benefit of all Lot Owners.

#### ARTICLE V Powers reserved by Declarant

"Declarant" shall mean the Weyerhaeuser Real Estate Company, and its representatives, successors and assigns.

Until the election by Owners of a permanent Board of Directors as may be provided in the Bylaws/CC&Rs, these Articles shall be administered and may be amended (subject to such mortgage approval as may be required) by the Declarant or the interim Board of Directors selected by Declarant. All references herein to the Board of Directors shall apply with equal force and effect to the interim Board of Directors.

The "Transition Date" shall be the date upon which the authority and responsibility to administer and manage the Association passes to the Association. The Transition Date shall be the earlier of (1) one hundred and twenty days after the conveyance of all of the Lots to Owners, other than the Declarant; or (2) the date which the Declarant records, or causes the interim Board of Directors to record, an amendment to these Articles, pursuant to which the Declarant voluntarily surrenders the right to further appoint or remove the Officers and members of the Board, provided that if the Declarant voluntarily surrenders such right before the Transition Date, Declarant

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may specify in such amendment that certain actions of the Association or Board must be approved by Declarant before they become effective.

Until the Transition Date, Declarant shall have the full power and authority to exercise all of the rights, duties, and functions of the Board and the officers of the Association, including but not limited to the adoption of rules and regulations, collecting and expending all Assessments, dues, and other Association funds. Declarant shall have the power to contract with an experienced professional Managing Agent and delegate to the Managing Agent all of the powers and duties of the Board. Any contract made by Declarant, its Managing Agent, or the interim Board (including management contracts), that would otherwise extend beyond the Transition Date, shall be terminable by the Board after the Transition Date upon not less than ninety days written notice to the other party or within such lesser notice period provided for without penalty in the contract or lease.

Declarant, may, at such time as it deems appropriate, select and from time to time replace, an interim Board of three directors, who need not be owners or purchasers, who shall have all the powers, duties, and functions of the Board, and may veto or approve a proposed action of the Board or the Association; provided that Declarant's failure to veto or approve such proposed action in writing within thirty days after receipt of written notice of the proposed action shall be deemed approval by the Declarant. Not later than sixty days after conveyance of twenty-five percent of the lots to Owners other than Declarant. Not later than sixty days after conveyance of fifty percent of the lots to Owners other than the Declarant, not less than thirty-three and one-third percent of the members of the Board must be elected by Owners other than Declarant. Declarant may not remove any member of the Board elected by the Owners. Prior to the Transition Date, the Owners, other than Declarant, may remove by a two-thirds vote, any director elected by the Owners.

Within thirty days after the Transition Date, the Owners shall elect a Board, at least a majority of whom must be Owners. The Board shall elect officers, and such Board and officers shall take office upon election.

Within sixty days after the Transition Date, Declarant shall convey to the Association all property of the Association held or controlled by the Declarant.

#### ARTICLE VI Membership

The corporation shall have one class of members, which shall be the Lot Owners. The Owner of each Lot shall have one membership for each Lot owned. Each and every Lot Owner shall be required to become and remain a member of this corporation and to abide by its Articles; Bylaws and/or Declaration and Covenants, Conditions, Restrictions and Reservations ("CC&Rs"); rules; and regulations.

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**ARTICLE VII**  
**Requirement for Bylaws/CC&Rs**

The Association shall adopt Bylaws and/or CC&Rs to supplement these Articles and to provide for the administration of the Association and for other purposes not inconsistent with these Articles.

**ARTICLE VIII**  
**Voting**

The total voting power of the all the Lot Owners shall equal the total number of Lots in the Plats, and each Lot Owner shall have one vote. A person (including Declarant) who owns more than one Lot shall have the votes appertaining to each Lot owned. The vote for a Lot must be cast as a single vote. Fractional votes shall not be allowed.

In order to constitute a quorum at any annual or special member's meeting, it shall be necessary that two-thirds of the members, entitled to vote, be represented in person or by proxy.

**ARTICLE IX**  
**Amendments**

These Articles may be amended upon a majority vote of the Board of Directors at any annual meeting or at any special meeting properly called for that purpose, at which a quorum is present; subject to the power of the members to change or repeal such Articles. The Board of Directors shall not make or alter any Articles fixing their qualifications, classification, term or office, or compensation.

The members of the corporation shall have the right to amend these Articles at any annual meeting, or at any special meeting properly called for that purpose, at which a quorum is present, by the affirmative vote of a majority of the members actually present and represented in person or by proxy.

**ARTICLE X**  
**Registered Agent**

The address of the initial registered office of the corporation shall be Weyerhaeuser Real Estate Company, 33650 6th Avenue South, Federal Way, Washington 98003.

The name and address of the initial registered agent of the corporation shall be Richard Leir, c/o Weyerhaeuser Real Estate Company, 33650 6th Avenue South, Federal Way, Washington 98003.

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**ARTICLE IX**  
**Board of Directors**

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The number of initial Directors on the Board of Directors shall be three. The names and addresses of the persons who are to serve as the initial and interim Directors of the corporation and their initial terms of office shall be as follows:

Position 1: Richard Leir, c/o Weyerhaeuser Real Estate Company, 33650 6th Avenue South, Federal Way, Washington 98003.

Position 2: Peter S. Constable, c/o Weyerhaeuser Real Estate Company, 33650 6th Avenue South, Federal Way, Washington 98003.

Position 3: Melinda Iaocolucci, c/o Weyerhaeuser Real Estate Company, 33650 6th Avenue South, Federal Way, Washington 98003.

**ARTICLE XII**  
**Indemnification**

Each Director or Officer now, or hereafter, serving the corporation and each person, who at the request of, or on behalf of, the corporation is now serving or hereafter serves as a Director or Officer of this corporation, whether for profit or not for profit, and his or her respective heirs, executors, or administrators and each of them shall be indemnified by the corporation against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been such a Director or Officer; except in relation to matters as to which he shall be adjudged, in such action, suit, or proceeding liable for negligence and/or misconduct in the performance of his or her duties. Such indemnification shall not be deemed exclusive of any other rights to which such Officer or Director may be entitled to as a matter of law.

**ARTICLE XIII**  
**Limitation on Liability**

So long as a Director, and Association committee member, or Association Officer, or Declarant has acted in good faith, without willful or intentional misconduct, upon the basis of information which is possessed by such person, no such person shall be personally liable to any Lot Owner, or to any other person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person; provided, that this section shall not apply when the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Board of Directors.

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**ARTICLE XIV**  
**Incorporator**

The name and address of the incorporator are as follows:

Robert L. Shedd, c/o Weyerhaeuser Real Estate Company, 33650 6th Avenue South,  
Federal Way, Washington 98003.

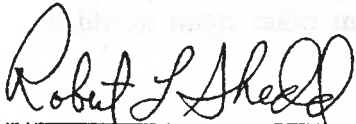
**ARTICLE XV**  
**Distribution upon Dissolution**

In the event the corporation is dissolved, the net assets of the corporation shall be distributed in joint ownership to all Lot Owners.

**ARTICLE XVI**  
**Definitions and Interpretations**

The terms used in these Articles shall have the same meaning as in the CC&Rs, unless specifically indicated to the contrary. In the case of any conflict between the Articles and the CC&Rs, the CC&Rs shall control. In the case of conflict between the Articles and the Bylaws, the Articles shall control.

Dated this 18<sup>th</sup> day of January 1995.



Robert L. Shedd, Incorporator.

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