

SECRET
STATE
OCT 22 2007
STATE OF WASHINGTON

**AMENDED ARTICLES OF INCORPORATION
OF SUNSET RIDGE HOMEOWNERS ASSOCIATION**
A Nonprofit Corporation

THE UNDERSIGNED, acting as incorporator of the corporation under the provisions of the Washington Nonprofit Corporations Act (Revised Code of Washington 24.03), adopts the following Articles of Incorporation for the Corporation.

ARTICLE 1.
Name

The name of the corporation shall be SUNSET RIDGE HOMEOWNERS ASSOCIATION.

ARTICLE 2.
Period of Duration

The period of duration of the corporation shall be perpetual.

ARTICLE 3.
Purposes

This corporation is organized for the following purposes:

- 3.1. To be operated as a nonprofit corporation under the Washington Nonprofit Corporation Act (RCW 24.03) and the applicable nonprofit qualification provisions under federal law and regulation.
- 3.2 To preserve, protect and improve the quality and character of the real estate development know as "Sunset Ridge" located in the City of Washougal, Clark County, Washington.
- 3.3 To provide for the maintenance, improvement, preservation, repair and control of the common areas of the Sunset Ridge development, as may be amended from time to time, which may include an entry monument, private roadways, drainage facilities, trails, picnic, playground, clubhouse and other recreational areas and facilities, landscaping, and any other improvements located or to be located within the common areas of the subdivision, and to promote the health, safety, protection and welfare of the homeowners within the above described property as members of the Sunset Ridge Homeowners Association.

3.4 To engage in any lawful activity for which corporations may be organized under the Washington Nonprofit Corporation Act (RCW 24.03). These activities may include but shall not be limited to the following:

- a. To enter into, make and perform contracts of any kind and description.
- b. To borrow or raise monies for any of the purposes of the corporation and, from time to time, without limit as to amount, to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments, and evidence of indebtedness, and to secure payment of any thereof, and of the interest thereon by mortgage, deed of trust, or other security device, placed upon the whole or part of the property of the corporation, and to sell, pledge and otherwise dispose of such bonds or other obligations of the corporation for its corporate purposes.
- c. To issue and transfer memberships to lot owners within the Sunset Ridge subdivision, as provided in the Bylaws of the Corporation.
- d. To fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Bylaws of the corporation and applicable covenants, conditions and restrictions.
- e. To pay all expenses in connection with and incidental to the conduct of the business of the corporation.
- f. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, encumber, pledge, dedicate for public use or otherwise hold or dispose of any real or personal property in connection with the affairs of the corporation.

3.5 To have and exercise all powers suitable, convenient, proper or incidental to the foregoing purposes.

3.6

ARTICLE 4.

Membership

4.1 Classes of Membership. Membership in the corporation shall be limited to owners of lots within the Sunset Ridge subdivision. There shall be two (2) classes of membership entitled to vote.

4.1.1 Class A Members. The Class A members shall be Pacific Lifestyle Homes, Inc., or any successor or assign thereof specified as a successor declarant in a written agreement. Class A members shall be entitled to ten (10) votes for each lot owned. The Class A membership shall cease and be converted to Class B membership

on the happening of either of the following events, whichever occurs earlier:

- a. When seventy-five percent (75%) of the total number of lots in all phases or portions of the Sunset Ridge subdivision are deeded to Class B members.
- b. On January 1, 2006.

4.1.2. Class B Members. Class B members shall be all other owners of any lots within the Sunset Ridge subdivision and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in a lot, all such persons shall be members. The vote for such lot shall be exercised as lot owner(s) determine, but in no event shall more than one (1) vote be cast with respect to any lot. Membership is appurtenant to, and inseparable from, ownership of the lot.

4.2. Rights of Membership. The rights of each class of members shall be set forth in the Bylaws of the corporation.

ARTICLE 5. Funds and Assets

This corporation shall use its funds only to accomplish the purposes stated in these Articles and those which are consistent with RCW 24.03 and the appropriate subsections of 501(c) of the Internal Revenue Code if the corporation qualifies for nonprofit status. No part of the funds of this corporation shall inure to the benefit of or be distributed to the directors or officers of the corporation, including upon dissolution of the corporation, except that officers may be paid a reasonable salary for services rendered and directors may be reimbursed for actual expenses or fees incurred while carrying out the purposes of the corporation.

ARTICLE 6. Bylaws

The Bylaws of the corporation shall regulate the internal affairs of the corporation. The authority to adopt, amend or repeal Bylaws, in whole or in part, shall be vested in the Board of Directors. The Bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with RCW 24.03 or these Articles of Incorporation.

ARTICLE 7. Amendments of Articles of Incorporation

The right to amend, alter, change or repeal any provisions contained in these Articles of Incorporation, shall be reserved unto the members in the manner prescribed under RCW 24.03.165, as recited in the Bylaws of the corporation. The proposed

amendment shall be adopted upon receiving at least sixty-seven percent (67%) of the votes which members present at such meeting or represented by proxy are entitled to cast.

ARTICLE 8.
Registered Office and Agent

The address of the initial registered office of this corporation shall be: 9013 NE Highway 99, Suite S, Vancouver, Washington 98665. The name of the initial registered agent of this corporation at said address shall be and is KEVIN L. WANN.

ARTICLE 9.
Board of Directors

9.1 Qualifications. Directors must be members of the corporation. The number of directors of this corporation and the manner in which they shall be elected shall be set forth in the Bylaws of the corporation.

9.2 Initial Director. The name and address of the person who is to serve as the initial director of the corporation is as follows:

KEVIN L. WANN	9013 NE Highway 99, Suite S Vancouver, WA 98665
---------------	--

ARTICLE 10.
Limitation on Director Liability

A director of the corporation shall not be personally liable to the corporation or its members for monetary damages for conduct as a director, except for liability of the director (i) for acts or omissions which involve intentional misconduct by the director or a knowing violation of law by the director, or (ii) 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. If the Washington Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then, the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Washington Nonprofit Corporation Act, as so amended. Any repeal or modification of the foregoing paragraph by the directors or members of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

ARTICLE 11.
Indemnification

The corporation shall have the power to indemnify the directors and officers of the corporation, either existing or former, who may be party to any proceeding by reason of being or having served in such capacity on behalf of the corporation, against any judgment, penalties, fines, settlements and reasonable expenses including legal fees

actually incurred by such director or officer in connection with such proceeding, to the full extent provided in RCW 23(B).08.500 et seq., and RCW 24.03.043, or any amendments or restatements thereof. The corporation shall also have the right to provide indemnification to any employee or agent of the corporation to the full extent allowed by law.

ARTICLE 12.
Dissolution

The Association may be dissolved only upon a resolution duly adopted by its Board of Directors, the affirmative vote of members who are owners of not less than two-thirds (2/3) of the lots (other than Declarant), and the consent of Declarant, so long as Declarant owns any property for development and/or sale in the development or has the right to unilaterally annex additional property to the Declaration. Upon dissolution of the Association other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE 13.
Incorporator

The name and address of the incorporator of the corporation is:

KEVIN L. WANN 9013 NE Highway 99, Suite S
Vancouver, WA 98665

ARTICLE 14.
HUD/VA Provisions

- 14.1 Mergers and consolidations, mortgaging of Common Areas, dissolution and amendment of the Articles shall require prior approval of HUD/VA as long as there are two classes of shares with unequal voting rights.
- 14.2 Annexation of any other real property to the Association, other than successive phases as anticipated by this Declaration, shall require prior approval by HUD/VA as long as there are two classes of shares with unequal voting rights.

IN WITNESS THEREOF, the President of the Board of the Sunset Ridge Homeowners Association has hereunto set his name this 19th day of October, 2001.



KEVIN L. WANN, President SRHA