



STATE of WASHINGTON SECRETARY of STATE

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby certify that the attached is a true and correct copy of

ARTICLES OF INCORPORATION

of

CHERRY GROVE P.U.D. HOME OWNER'S ASSOCIATION

as filed in this office on August 1, 1991

RECEIVED
FILED & RECORDED

REC'D BY *Bennett & Ashenbrenner*

AUG 5 11 55 AM '91

WILLIAM E. DONAHUE
AUDITOR
SPOKANE, COUNTY, WASH.

*E 9415 Trent
99206*

14/00

Date: August 2, 1991
Given under my hand and the seal of the State of Washington, at Olympia, the State Capitol.

Ralph Munro

Ralph Munro, Secretary of State
S. Gütweiler



FILED
STATE OF WASHINGTON

AUG 01 1991

RALPH MUNRO
SECRETARY OF STATE**ARTICLES OF INCORPORATION****OF****CHERRY GROVE P.U.D. HOME OWNER'S ASSOCIATION**

KNOW ALL MEN BY THESE PRESENTS that THEODORE GUNNING and GORDON FINCH, both being over the age of eighteen (18) years, and for the purposes of forming a corporation under the Washington Non-Profit Corporation Act, hereby certify and adopt in duplicate the following Articles of Incorporation.

ARTICLE I**NAME**

The name of the corporation (hereafter called "the Association") is CHERRY GROVE P.U.D. HOME OWNER'S ASSOCIATION, and it is a non-profit corporation.

ARTICLE II**DURATION**

The Association shall exist perpetually.

ARTICLE III**PURPOSES AND POWERS OF THE ASSOCIATION**

This Association does not contemplate the distribution of gains, profits, or dividends to its members. The specific primary purposes for which it is formed are to provide for the acquisition, construction, management, operation, administration, maintenance, repair, improvement, preservation and architectural control of Association property within that certain subdivision and planned unit development situated in the County of Spokane, legally known as commonly referred to as CHERRY GROVE HOMEOWNER'S ASSOCIATION; and to promote described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for such Conditions, and Restrictions ("the Declaration") recorded or to be recorded with respect to said property in the office of the auditor of Spokane County.

In furtherance of said purposes, and subject to the approval of members as required by the Declaration, the Bylaws or by law, this Association shall have power to:

(a) Perform all of the duties and obligations of the Association as set forth in the Declaration;

(b) Fix, levy, collect, and enforce assessments and fines as set forth in the Declaration;

(c) Pay all expenses and obligations incurred by the Association in the conduct of its business, including, without limitation, all licenses, taxes or governmental charges levied or imposed against the Association property.

(d) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, exchange, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of Association;

(e) Make contracts and incur liabilities, borrow money and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(f) Dedicate, sell, transfer, or grant easements over all or any part of any Association 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.

(g) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes, or annex additional property to the property managed by the Association;

(h) Have and exercise any and all powers, rights, and privileges which a corporation organized under the Miscellaneous and Mutual Corporations Act of the State of Washington by law may now or hereafter have or exercise.

ARTICLE IV

MEMBERS AND MEMBERSHIP

1. Non-Stock Corporation. Participation in management and ownership of the Association shall be by membership only. The Association shall issue no stock and shall have no shareholders.

2. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record 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. Membership shall be in accordance with these Articles of Incorporation and the Bylaws of the Association and shall be subject to all covenants and restrictions of record which have been duly recorded with the County Auditor in Spokane County.

3. Transferred Membership. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the lot to which it is appurtenant, and then only to the new owner. Any attempt to make a prohibited transfer is void. In the event the owner of any lot should fail or refuse to transfer the membership registered in his name to the purchaser of his lot, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

4. Membership Voting; Transfer of Control. Each member of the Association, being each owner of a lot in such subdivision and planned unit development shall be entitled to one vote. The Association shall have one class of voting membership comprised of such members. Notwithstanding the allocation of voting power as described above, the incorporators, THEODORE GUNNING, as principal in Northwood Properties, Inc., and GORDON FINCH, as principal in Gordon Finch Homes, Inc., Declarant of the CHERRY GROVE plat, shall retain the power to name all directors of the Association until control the Board is formally turned over to the members (Lot owners including declarants who shall own one or more lots), which shall occur upon the date of transfer of the last lot held by Declarant in accordance with the provisions of the Declaration;

(a) One hundred twenty (120) days after Declarant shall have conveyed seventy-five percent (75%) of all lots to members of the general public; or

(b) The third anniversary of the recordation of the Declaration.

The incorporators (Declarants) shall be considered to have formally turned over the control of the Board to the members, by simply sending a letter signed by the incorporators to the various members at their last known addresses indicating that the above referenced transfer has occurred, that the incorporators are formally turning control of the Board over to the members, and that the members shall then be responsible to schedule a special meeting, giving proper notice of such meeting, for the purpose of electing a new Board of Directors, appointing officers and conducting such other business as the members deem appropriate and necessary.

5. Limitation of Payment to Dissenting Member. Membership in the Association is appurtenant to and cannot be segregated from the ownership of a lot within the jurisdiction of the Association. Except upon dissolution of the Association, a dissenting member shall not be entitled to any return of any contribution or other interest in the Association.

ARTICLE V

INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association shall be East 9616 Montgomery, Spokane, Washington, 99206, and the initial registered agent at such address shall be THEODORE GUNNING.

ARTICLE VI

BOARD OF DIRECTORS: INCORPORATORS

The affairs of this Association shall initially be managed by a Board of two (2) directors, who need not be members of the Association, until transfer of control of the Board to the general membership, as described above, after which time all affairs of the Association shall be managed by a Board of three (3) directors, and after which time all directors must be members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association. The names and address of the incorporators of the Association, who shall also act as the initial two (2) directors of the Association until the selection of their successors, are:

<u>NAME</u>	<u>ADDRESS</u>
Theodore Gunning	East 9616 Montgomery Spokane, Washington 99206
Gordon Finch	East 9102 Columbia Spokane, Washington 99212

ARTICLE VII

DISSOLUTION

In the event of the dissolution, liquidation, or winding up of the Association, after paying or adequately providing for the debts and obligations of the Association, the directors or persons in charge of the liquidation shall divide the remaining assets thereto as established in the Declaration.

ARTICLE VIII

AMENDMENT OF ARTICLES

These Articles shall be amended only by the unanimous written consent of all members of the Association, or by the vote at a duly called meeting of members representing both: (1) at least two-thirds (2/3) of a quorum of the total voting power of the Association; and (2/3) of a quorum of the total voting power of the Association; and at least two-thirds (2/3) of a quorum of the voting power of members other than the Declarant under the Declaration. Provided, however, that the percentage of the voting power necessary to amend a specific clause of provision herein shall not be less than the percentage of affirmative votes prescribed for action to be taken under said clause or provision.

For the purpose of forming this Association under the laws of the State of Washington, we, the undersigned, constituting the incorporators of this corporation, have executed these ARTICLES of Incorporation on this 31st day of July 1991.

Theodore Gunning

THEODORE GUNNING

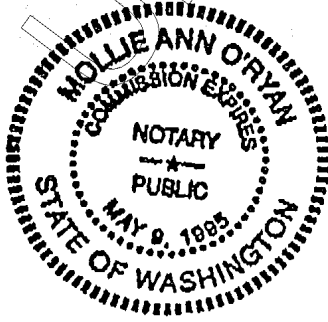
Gordon Finch

GORDON FINCH

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this day personally appeared before me THEODORE GUNNING to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 31st day of July, 1991.



Mollie Ann O'Ryan

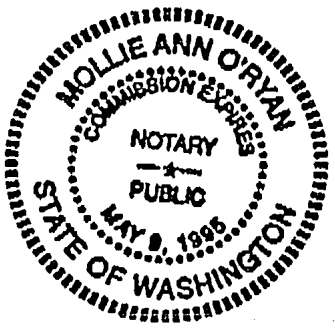
NOTARY PUBLIC in and for the State of Washington, residing at Spokane, My commission expires 5/9/95.

STATE OF WASHINGTON)
) SS.
County of Spokane)

On this day personally appeared before me GORDON FINCH to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 31st day of July, 1991.

Mollie Ann Oryan
NOTARY PUBLIC in and for the State of Washington, residing at Spokane. My commission expires 5/9/95.

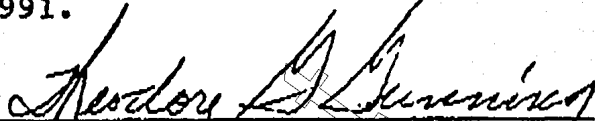


Unofficial Document

CONSENT TO APPOINTMENT AS REGISTERED AGENT

I, THEODORE GUNNING, do hereby consent to serve as registered agent for the Corporation, Cherry Grove P.U.D. Home Owner's Association, Inc.

DATED this 31st day of July, 1991.



THEODORE GUNNING
East 9616 Montgomery
Spokane, Washington 99206

Unofficial Document