

ARTICLES OF INCORPORATION

OF

BELFAIR ACREAGE TRACTS ASSOCIATION

JACK G. BATY, SHIRLEY BATY and DANIEL BATY, being citizens of the United States, and residents of the State of Washington, and Pierce County, over the age of 18, do hereby associate themselves for the purpose of forming a non-profit corporation under the provisions of the laws of the State of Washington, pertaining to non-profit corporations (R.C.W. 24.03) for that purpose do hereby adopt and certify, in duplicate, the following Articles of Incorporation:

ARTICLE I.

NAME. The name of this corporation shall be
BELFAIR ACREAGE TRACTS ASSOCIATION

ARTICLE II.

PURPOSES AND POWERS. The corporation does not contemplate pecuniary gain or profit, direct or indirect, to its members. The purposes for which it is formed are:

- (1) To promote the recreation, health, safety and welfare of the residents of BELFAIR ACREAGE TRACTS ASSOCIATION, as recorded on Tract map, record number 363410 with the Mason County Auditor, recorded on 3-2-79, 1979.

- (2) To care for, maintain and improve for the use and enjoyment of all of the residents of BELFAIR ACREAGE TRACTS ASSOCIATION the private roads and property situated adjacent thereto, legally described on the recorded Declaration of Easement, record number 366-011 with the Mason County Auditor, recorded on March 29, 1979.
- (3) To assess and collect monies from members and disburse to Reid Realty Retirement Fund, now known as Reid Realty, Inc., Profit Sharing Plan and Trust, Great Western Lighting Profit Sharing Trust, sums which have been set forth in the easement agreement between Reid Realty Retirement Fund, now known as Reid Realty, Inc., Profit Sharing Plan and Trust and Great Western Lighting Profit Sharing Trust and Jack G. Baty, recorded in Mason County, WA, Auditor's Fee No. 358895 on March 29, 1979.
- (4) To fix assessments to be levied against the properties.
- (5) To enforce any and all covenants, restrictions and agreements applicable to the properties.
- (6) To own, buy, sell, rent, lease, mortgage or otherwise acquire, dispose of or deal in real and personal property.
- (7) To borrow money and to issue notes as evidence thereof, and to secure the same by a mortgage or pledge of any or all of its assets.
- (8) Insofar as is permitted by law and all covenants, to do any other thing that in the opinion of the Board of Directors will promote common benefit and enjoyment of the properties.

ARTICLE III.

MEMBERSHIP. Every person or entity who is a record owner of a fee or undivided fee interest in any tract or any subdivision thereof, which is subject by covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

ARTICLE IV.

VOTING RIGHTS . The Association shall have one class of voting membership. Members shall be all those owners as defined in Article III above. Members shall be entitled to one vote for each tract or subdivision thereof in which they hold the interest required for a membership by Article III. When more than one person holds such interest or interests in any tract or subdivision, all such persons shall be members, and the vote for such tract or subdivision shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such tract or subdivision.

ARTICLE V.

BOARD OF DIRECTORS. The affairs of the corporation shall be managed by a Board of five (5) directors who need not be members of the corporation. The initial board of directors shall consist of three (3) directors who shall hold office until the election of their successors for the terms stated in Article XV. Beginning with the first annual meeting to be held on _____, 19___, the members, at each annual meeting, shall elect five (5) directors each for a term of one (1) year.

ARTICLE VI.

INDEBTEDNESS. The total debts of the corporation, including the principal amount of such mortgages, outstanding at any time, shall not exceed the total of one year's assessments current at that time, provided that authority to exceed said maximum in any particular case may be given by

an affirmative vote of two-thirds of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE VII.

QUORUM FOR ANY ASSOCIATION ACTION. The quorum required for any action governed by these Articles shall be as follows: At the first meeting duly called as provided therein, the presence of members, or of proxies, entitled to cast fifty (50%) percent of all of the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth in said Articles, and the required quorum at any subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following such preceding meeting.

ARTICLE VIII.

DEDICATION OF PROPERTIES OR TRANSFER OF FUNCTION TO PUBLIC AGENCY OR UTILITY. The corporation shall have power to dispose of its real properties only as authorized under the recorded covenants and restrictions applicable to said property.

ARTICLE IX.

DURATION. The corporation shall exist perpetually.

ARTICLE X.

DISSOLUTION. The corporation may be dissolved only with the assent given in writing and signed by the members entitled to cast two-thirds of its membership. Written notice of proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets (which shall be consonant with Article XI hereof) shall be mailed to every member at least ninety (90) days in advance of any action taken.

ARTICLE XI.

DISPOSITION OF ASSETS UPON DISSOLUTION. Upon dissolution of the corporation, the assets of the corporation shall be distributed to the members. No such disposition of Association properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds applicable to The Properties unless made in accordance with the provisions of such covenants and deeds.

ARTICLE XII.

AMENDMENTS. These Articles may be amended in accordance with the law, provided that the voting and quorum requirements specified for any action under any provision of these Articles shall apply also to any amendment of such provision, and provided further that no amendment shall be effective to impair or dilute any rights of members that are governed by the recorded covenants and restrictions applicable to The Properties which are part of the property interests created

thereby.

ARTICLE XIII.

ANNEXATION OF ADDITIONAL PROPERTIES AND MEMBERS. The developers and incorporators of this property and association reserve the right to annex additional property without the consent of the Association, tract owners, or members, within five years. The Developer may annex additional legal rights-of-way for access and utilities and make declarations of same to this Association, provided that the access and utilities are constructed and installed in the manner similar to that established for the initial property. Persons who purchase additional annexed property shall be entitled to membership under the same terms and conditions of the existing members. The Developer reserves the right to grant additional non-exclusive easements over the existing easements set forth in the Declaration of Covenants and Restrictions of BELFAIR ACREAGE TRACTS ASSOCIATION. Any additional properties included by Developer or incorporators shall have the right to join this Association and shall share on an equal basis the costs of maintaining existing and additional roads as provided by this Association through the payment of dues.

ARTICLE XIV.

REGISTERED AGENT AND OFFICE. The address of the initial registered office of the corporation is JACK BATY REALTY,

1057 Monterey Lane, Tacoma, Washington 98466, and the name of its initial registered agent at such address is Jack Baty.

ARTICLE XV.

THE INCORPORATORS. The name and address of each incorporator is:

Jack G. Baty	1057 Monterey Lane Tacoma, Washington 98466
Shirley Baty	1057 Monterey Lane Tacoma, Washington 98466
Daniel Baty	702 North C Tacoma, Washington 98403

ARTICLE XVI.

INITIAL DIRECTORS. The names and address of those persons who are to act as directors until the election of their successors and their terms of office are:

To serve until the first annual meeting to be held on

_____, 19____:

