

**EASTSIDE PREPARATORY SCHOOL**  
**ARTICLES OF INCORPORATION**

602-206-351

**ARTICLES OF INCORPORATION  
OF  
EASTSIDE PREPARATORY SCHOOL**

FILED  
SECRETARY OF STATE  
MAY 17 2002  
STATE OF WASHINGTON

The undersigned, in order to form a nonprofit corporation under Chapter 24.03 of the Revised Code of Washington, hereby signs and verifies the following Articles of Incorporation:

**ARTICLE I  
NAME**

The name of the corporation is Eastside Preparatory School.

**ARTICLE II  
MEMBERSHIP**

The corporation shall have no voting members.

**ARTICLE III  
DURATION**

The duration of the corporation shall be perpetual.

**ARTICLE IV  
REGISTERED OFFICE AND AGENT**

The initial registered office of the corporation is 2600 Century Square, 1501 Fourth Avenue, Seattle, WA 98101 and the initial registered agent at such address is DWTR&J Corp.

**ARTICLE V  
PURPOSES, LIMITATIONS AND POWERS**

**Section 5.1 Purposes.** To operate exclusively for charitable and educational purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision, including operating a secondary school.

**Section 5.2 Nondiscrimination.** The corporation shall conduct all of its programs without discrimination on the basis of race, color, national or ethnic origin, and in a manner consistent with qualification as an educational organization within the meaning of Section 170(b)(1)(A)(ii) of the Code, or any successor provision.

**Section 5.3 Limitations.**

5.3.1 The corporation shall have no capital stock, and no part of its net earnings shall inure to the benefit of any trustee or officer of the corporation, or of any private individual.

5.3.2 No trustee, officer, or any private individual shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the corporation, or upon the winding up of its affairs.

5.3.3 No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation except as may be permitted to Section 501(c)(3) organizations by the Code, and the corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

5.3.4 Notwithstanding any other provisions of these Articles, the corporation shall not conduct or carry on activities not permitted to be conducted or carried on by an organization exempt under Section 501(c)(3) of the Code, or any successor provision, or by an organization contributions to which are deductible under Section 170(c)(2) of the Code, or any successor provision.

**Section 5.4 Powers.** In general, and subject to such limitations and conditions as are or may be prescribed by law; or in the corporation's Articles of Incorporation or Bylaws, the corporation shall have all powers which now or hereafter are conferred by law upon a corporation organized for the purpose set forth above, or are necessary or incidental to the powers so conferred, or are conducive to the attainment of the corporation's purpose.

## ARTICLE VI LIMITATION OF TRUSTEES' LIABILITY

A trustee shall have no liability to the corporation for monetary damages for conduct as a trustee, except for acts or omissions that involve intentional misconduct by the trustee, or a knowing violation of law by the trustee, or for any transaction from which the trustee will personally receive a benefit in money, property or services to which the trustee is not legally entitled. If the Washington Nonprofit Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of trustees, then the liability of a trustee shall be eliminated or limited to the full extent permitted by the Washington Nonprofit Corporation Act, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a trustee of the corporation existing at the time of such repeal or modification for or with respect to an act or omission of such trustee occurring prior to such repeal or modification.

## ARTICLE VII INDEMNIFICATION

**Section 7.1 Right to Indemnification of Trustees and Officers.** Each person who was, or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a trustee or officer of the corporation or, while a trustee or officer, he or she is or was serving at the request of the corporation as a director, trustee, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, trustee, officer, employee or agent or in any other capacity while serving as a director, trustee, officer, employee or agent, shall be indemnified and held harmless by the corporation, to the full extent permitted by applicable law as then in effect, against all expense, liability and loss

(including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, trustee, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section 7.2 of this Article with respect to proceedings seeking solely to enforce rights to indemnification, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the board of trustees of the corporation. The right to indemnification conferred in this Section 7.1 shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such trustee or officer, to repay all amounts so advanced if it shall ultimately be determined that such trustee or officer is not entitled to be indemnified under this Section 7.1 or otherwise.

**Section 7.2 Right of Claimant to Bring Suit.** If a claim for which indemnification is required under Section 7.1 of this Article is not paid in full by the corporation within sixty (60) days after a written claim has been received by the corporation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be twenty (20) days, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification under this Article upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the corporation), and thereafter the corporation shall have the burden of proof to overcome the presumption that the claimant is not so entitled. Neither the failure of the corporation (including its board of trustees or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances nor an actual determination by the corporation (including its board of trustees or independent legal counsel) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

**Section 7.3 Nonexclusivity of Rights.** The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, or vote of disinterested trustees or otherwise.

**Section 7.4 Insurance, Contracts and Funding.** The corporation may maintain insurance at its expense, to protect itself and any director, trustee, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under RCW 24.03.043 of the Washington

Nonprofit Corporation Act and RCW 23B.08.510 of the Washington Business Corporation Act, or any successor provisions. The corporation may enter into contracts with any trustee or officer of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

**Section 7.5 Indemnification of Employees and Agents of the Corporation.** The corporation may, by action of its board of trustees from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of trustees and officers of the corporation or pursuant to rights granted pursuant to, or provided by, the Washington Business Corporation Act, as applied to nonprofit corporations, or otherwise.

## ARTICLE VIII TRUSTEES

**Section 8.1 Board of Trustees.** The management of the corporation will be vested in a board of four (4) to nine (9) trustees, who shall perform the duties and have the responsibilities of directors of the corporation. The number, qualifications, terms of office, manner of election, time and place of meeting, and powers and duties of trustees shall be prescribed by the Bylaws of the corporation.

**Section 8.2 Names and Addresses of Trustees.** The names and addresses of the trustees who will manage the affairs of the corporation until the first annual meeting of the board of trustees as provided in the Bylaws, and until their successors are elected and qualified, are:

Name	Address
Thomas Strong	20533 NE 31 <sup>st</sup> Street Sammamish, WA 98074
Alice Strong	20533 NE 31 <sup>st</sup> Street Sammamish, WA 98074
Ann Mix	4610 - 176 <sup>th</sup> Ave. SE Bellevue, WA 98006
Michael Carman	1736 W. Beaver Lk. Dr. SE Sammamish, WA 98075

## ARTICLE IX AMENDMENT OF BYLAWS

The authority to make, alter, amend or repeal Bylaws is vested in the board of trustees, and may be exercised at any annual or special meeting of the board.

**ARTICLE X  
DISSOLUTION**

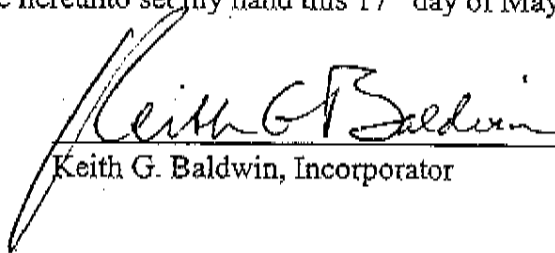
Upon dissolution or winding up, all the corporation's remaining assets shall be distributed by the board of trustees for similar or identical uses and purposes, to any other organization that would then qualify for exemption under the provisions of Section 501(c)(3) of the Code, or any successor provision.

**ARTICLE XI  
INCORPORATOR**

The incorporator's name and address are:

Name	Address
Keith G. Baldwin	Davis Wright Tremaine LLP 2600 Century Square 1501 Fourth Avenue Seattle, WA 98101-1688

IN WITNESS WHEREOF, I have hereunto set my hand this 17<sup>th</sup> day of May, 2002.

  
 \_\_\_\_\_  
 Keith G. Baldwin, Incorporator

**CONSENT TO SERVE AS REGISTERED AGENT**

DWTR&J Corp., a Washington corporation, hereby consents to serve as Registered Agent, in the State of Washington, for Eastside Preparatory School. DWTR&J Corp. understands that as agent for said corporation, it will be responsible to receive service of process in the name of said corporation; to forward all mail to said corporation; and to immediately notify the office of the Secretary of State in the event of its resignation, or of any changes in the registered office address of Eastside Preparatory School.

DWTR&amp;J CORP.

Date May 17, 2002By Keith G. Baldwin  
Keith G. Baldwin  
Its Vice President2600 Century Square  
1501 Fourth Avenue  
Seattle, Washington 98101-1688

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JAN 22 2003

EASTSIDE PREPARATORY SCHOOL  
C/O THOMAS STRONG  
20533 NE 31ST ST  
SAMMAMISH, WA 98074

Employer Identification Number:  
37-1430960  
DLN:  
17053294024032  
Contact Person:  
GARY L BOTKINS ID# 31463  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
JUNE 30  
Form 990 Required:  
YES  
Addendum Applies:  
NO

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(ii).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the

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part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

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You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Revenue Procedure 75-50, published in Cumulative Bulletin 1975-2 on page 587, sets forth guidelines and recordkeeping requirements for determining whether private schools have racially nondiscriminatory policies as to students. You must comply with this revenue procedure to maintain your tax-exempt status.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

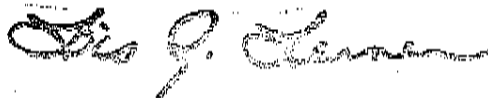
If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Lois G. Lerner  
Director, Exempt Organizations

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