

247539

FILE NUMBER



DOMESTIC

STATE OF WASHINGTON | DEPARTMENT OF STATE

I, **A. LUDLOW KRAMER**, Secretary of State of the State of Washington and custodian of its seal, hereby certify that

ARTICLES OF INCORPORATION

of SPRING POINT HOMEOWNERS ASSOCIATION
a domestic corporation of Seattle, Washington,

was filed for record in this office on this date, and I further certify that such Articles remain on file in this office.

Filed at request of.....
Durning & Smith, Attys.
1411 - 4th Ave.
Seattle, WA 98101
Attn: Marvin E. Durning
NON-PROFIT

Filing and recording fee... \$20.00

License to June 30, 19..... \$

..... Excess pages @ 25¢ \$

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In witness whereof I have signed and have affixed the seal of the State of Washington to this certificate at Olympia, the State Capitol,

August 16, 1974

A. LUDLOW KRAMER
SECRETARY OF STATE

ORIGINAL

ARTICLES OF INCORPORATION OF
SPRING POINT HOMEOWNERS ASSOCIATION
A Washington Nonprofit Corporation

FILED
AUG 16 1974

A. LUDLOW KRAMER
SECRETARY OF STATE

We, the undersigned persons acting as the incorporators of a corporation under the provisions of the Washington Nonprofit Corporation Act (R.C.W. Chapter 24.03), adopt the following Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation shall be "Spring Point Homeowners Association."

ARTICLE II

DURATION

The period of duration of the corporation shall be perpetual.

ARTICLE III

DEFINITIONS

As used herein

(a) Spring Point means that certain tract of real property on Orcas Island, San Juan County, Washington, described on Exhibit A hereto, which is made part hereof, or that property plus any other annexed thereto.

(b) Association means this Nonprofit corporation, the Spring Point Homeowners Association, its successors and assigns.

(c) Properties means that certain real property described in Exhibit A.

(d) Common Area means all real property owned by the association for the common use and enjoyment of the members of the association.

(e) Limited Common Area means all real property owned and managed by the association, the use and enjoyment of which is restricted exclusively to a designated owner or owners.

(f) Lot means any plot of land or condominium unit shown upon any recorded subdivision or condominium plat of the properties with the exception of the common area, and limited common area.

(g) Member means every person or entity who holds membership in the association.

(h) Owner means the record owner, whether one or more persons or entities, of a fee simple title to any lot or condominium apartment which is a part of the properties, except that purchasers under a real estate conditional sales contract shall be deemed the "owner", as against the contract seller. Those having an interest merely as security for the performance of an obligation shall not be deemed an "owner" as herein provided.

(i) Declarant means Gilbert L. Johnston, a single man; Paul Bushue and Charlotte Bushue, his wife; Robert S. Anderson and Patricia D. Anderson, his wife; or Spring Point, Inc., the successor to the rights of the above-named persons; or its successors or assigns.

(j) Covenants, Conditions and Restrictions for Spring Point means the Declaration of Covenants, Conditions and Restrictions for Springpoint recorded under Auditor's No. 71612, records of San Juan County, Washington, as amended by the Amendment and Supplement thereto recorded September 9, 1971 under Auditor's No. 76834, records of San Juan County, Washington, and any other amendments or supplements thereto which may be properly adopted and recorded hereafter.

(k) General Plan means the general plan for development of the properties described in Article V below and illustrated in Exhibit B hereto, which is made a part hereof.

ARTICLE IV

PURPOSES

The purposes for which the corporation is organized are:

(a) To provide, operate, maintain (and improve) common facilities in the nature of roads, community parks, playfields, or other recreation facilities, and certain municipal utilities such as a water distribution system and other municipal type services necessary or appropriate for a residential community.

(b) To make regulations for the use and enjoyment of the property of Spring Point by its owners.

(c) To carry out such other functions for the benefit of the owners of property in Spring Point as may from time to time be necessary or appropriate.

(d) To receive, hold, maintain, operate or transfer and dispose of commonly owned areas of Spring Point such as open spaces, parks, playfields, roads, beaches, docks, meeting or recreation facilities, and areas or facilities for municipal utilities and services necessary or appropriate for a residential community, and to make necessary hookup and other charges therefor.

(e) To levy and collect assessments from the owners and against the property of Spring Point as more specifically provided below.

(f) To enforce the use restrictions and other provisions of the covenants, conditions and restrictions for Spring Point.

ARTICLE V

GENERAL PLAN

No plot in the plat of Spring Point, Division No. 1 shall be further subdivided or replatted. The property which may be annexed in accordance with Article VI, Section 2 is legally described in Exhibit A (which also includes Division No. 1 of the plat of Spring Point), and is attached hereto and by this reference is made a part hereof. Said property is further divided into units in accordance with Exhibit B attached hereto and made a part hereof, all of which shall be subdivided and platted only in accordance with the following restrictions and conditions:

(1) All waterfront property not platted in Division No. 1 of Spring Point and described in Exhibit A herein, shall be common area.

(2) At such time as all of the property described in Exhibit A is platted, a minimum of 20% of same must be reserved as common area and be utilized primarily for parks and green belts.

(3) All other property described in Exhibit A except Divisions B and C, as defined in Exhibit B, shall be reserved for single family residential use only. All residential lots shall contain a minimum of 20,000 square feet.

(4) Divisions B and C which compose approximately ten (10) acres each, approximately located and defined in Exhibit B, may be used for commercial or condominium development as well as residential use. Condominiums must have a minimum of 5,000 square feet of land area for each condominium unit or apartment.

(5) All roads constructed or to be constructed in Division No. 1 of Spring Point, or annexed properties shall be common areas.

(6) An easement for utilities of ten (10) feet shall be reserved along all boundary lines of all lots developed or to be developed within the properties.

ARTICLE VI

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation of additional properties shall require the assent of two-thirds (2/3) of the members at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of the membership shall constitute a quorum.

Section 2. If within twenty (20) years from the date of filing of the Declaration of Covenants, Conditions and Restrictions for Springpoint, Declarant should further plat all or a part of the remaining properties described in Exhibit A, said plat or plats shall be a part of and subject to the covenants, conditions and restrictions without the assent of the members, provided, however, that development of said plat shall be substantially in accordance with the general plan.

Nothing contained herein shall bind or obligate Declarant to develop, subdivide or plat property described in Exhibit A.

ARTICLE VII

MEMBERSHIP

Every person or entity who is an "owner" of record of 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. Ownership of such lot shall be the sole qualification for membership.

ARTICLE VIII
VOTING RIGHTS

No person shall have more than one (1) membership regardless of the number of lots owned or being purchased, and the interest of each member shall be equal to that of any other member, and no member may acquire any interest which shall entitle him to any greater voice, vote or authority in the association than any other member. In the case of lots owned jointly by two (2) or more persons or entities, only the joint owner designated by the joint owners as the "member" shall be entitled to vote. When more than one person holds an ownership interest in any lot, the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot, and no fractional votes may be cast.

ARTICLE IX
PROPERTY RIGHTS

Section 1. Members' Easements of Enjoyment. Every member shall have a right and easement to enjoyment in and to the common areas and such easement shall be appurtenant to and shall pass with the title to every assessed lot subject to the following provisions:

- (a) The right of the association to limit the number of guests of members;
- (b) The right of the association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common area;
- (c) The right of the association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the common area and facilities and in aid thereof to convey a security interest in said property, and the rights of such security holder in said properties shall be subordinate to the rights of the homeowners hereunder;

(d) The right of the association to suspend the voting rights and right to use of the recreational facilities by a member for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 180 days for any infraction of its published rules and regulations.

(e) The right of the association to dedicate or transfer all or any part of the 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. No such dedication or transfer shall be effective unless an instrument signed by members entitled to cast two-thirds (2/3) of the votes of the membership has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every member not less than thirty (30) days nor more than sixty (60) days in advance; and

(f) The right of the individual owners to the exclusive use of limited common areas as provided in these Articles.

Section 2. Delegation of Use. Any member may delegate, in accordance with the By-Laws, his right of enjoyment to the common area and facilities to the members of his family, friends and tenants.

Section 3. Title to the Common Areas. The Declarant has covenanted for himself, his heirs and assigns, that he will convey fee simple title to the platted common area to the association, free and clear of all encumbrances and liens. Upon creation of a common area or areas and if fee simple title to any lot has been conveyed to any owner by Declarant, Declarant has covenanted to convey fee simple title to the association, of all common areas then created or common areas as they are later created.

ARTICLE X

ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the properties,

has covenanted, and each owner of any lot by acceptance of a deed, or contract therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the association: (1) annual assessments or charges; and (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as herein-after provided. The annual and special assessments, together with such interest therein, and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs (including necessary title searches or information), and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them. Where the owner is more than one person or entity, each joint owner shall be jointly and severally obligated for the full amount owing.

Section 2. Purpose of Assessments. The assessments levied by the association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the properties and in particular for the improvement and maintenance and installation of the properties, services and facilities (including but not limited to roads and water system) devoted to this purpose and related to the use and enjoyment of the properties.

Section 3. Annual Assessments. The first annual assessment shall be in the sum of \$60.00 per lot and shall be payable quarterly by the owner thereof, commencing on the 15th day of September, 1974. Spring Point, Inc. shall be allowed to offset any sums payable under this article to the association in the sums heretofore expended by said Spring Point, Inc. in making improvements in Division No. 1 of

the plat of Spring Point and any annexed property thereto, which improvements shall include, -but not be limited to, all legal and engineering fees and construction costs.

Section 4. Subsequent Annual Assessments. After consideration of current maintenance costs and future needs of the association, the Board of Directors shall fix annually the assessments and the date or dates that said assessments become due and payable. After the first year, notice of the Directors' determination regarding annual assessments shall be given in writing to all members thirty (30) days in advance of the annual meeting. A majority vote of the owners, sixty percent (60%) of whom are present, or by their proxy, at any annual meeting may modify or change the annual assessment as fixed by the Board of Directors.

Section 5. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair, or replacement of a described capital improvement upon the common area, including the necessary fixtures, and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members, voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. At this meeting, the presence of members or proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at this meeting, another meeting may be called, subject to the notice requirements, set forth above, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 6. Uniform Rate of Assessment. Both the annual and special assessments must be fixed at a uniform rate for all lots and shall be collected on a basis to be determined by the Board of Directors.

Section 7. General Property Taxes. The general property taxes for common and limited common areas shall be assessed at an equal and uniform rate for all lots platted within the properties. The County Assessor and Treasurer are authorized to assess each owner individually in accordance herewith. As each plat within the properties is filed, it shall contain a statement as to the fractional amount that each lot is to be assessed for common and limited common general property taxes.

Section 8. Initiation Fee for owners of any Subdivided, Replatted or Annexed Property. In the event that the real property described in Exhibit A is subdivided, platted or other property is annexed as herein provided, then the new purchasers shall be assessed an initiation fee, to which the lien rights and personal obligations, as provided for in Section 1 of this Article, shall apply. Said initiation fee shall be determined by appraising the total value of the then existing improvements, made by the homeowners association, and dividing said total by the total number of platted lots; Provided, however, that the said subsequent purchasers shall not be required to pay more than \$500.00 against said initiation fee in any one year.

Section 9. The association shall, upon demand, at any time furnish a certificate in writing, signed by an officer of the association, setting forth whether the assessment on a specific lot has been paid, a reasonable charge to be made for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment stated to have been paid.

Section 10. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30)

days after the due date, the assessment shall bear interest from the date of delinquency at the rate of seven percent (7%) per annum, and the association may bring an action against the owner personally obligated to pay the same, for foreclose the lien against the property, and interest, costs (including necessary title searches or information), and reasonable attorney's fees of any such action shall be added to the amount of the assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area, limited common area, or abandonment of his lot.

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinated to the lien of any first mortgage (and to the lien of any second mortgage given to secure payment of the purchase price) now or hereafter placed on any lot. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot which is subject to such first mortgage, or purchase money second mortgage, pursuant to a decree of foreclosure under such mortgage or in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 12. Exempt Property. The following property subject to these Articles shall be exempt from the assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the common area; (c) limited common area; and (d) all properties owned by a nonprofit organization exempt from taxation by the laws of the State of Washington. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE XI

ARCHITECTURAL CONTROL

Section 1. No building, fence, wall, or other structure shall be commenced, erected or maintained upon the properties, nor shall

any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted as to harmony of external design and location in relation to surrounding structures and topography to the Architectural Committee, composed of three (3) representatives appointed by the Board, provided, however, that the Declarant shall automatically elect one member of this committee until it has completed the development of the properties in accordance with the general plan. In the event said designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article shall be deemed to have been fully complied with. In the event of disagreement between the Declarant and the other two members of the committee under this Article, the dispute shall be submitted to the American Arbitration Association, whose ruling shall be based upon the intent and purposes as set forth in the Declaration of Covenants, Conditions & Restrictions. The ruling of the American Arbitration Association shall be binding upon the parties.

Section 2. Any commercial development in Divisions B and D must not adversely affect the primary residential use of the properties and must have the unanimous written approval of the Architectural Committee prior to construction.

ARTICLE XII

DIRECTORS

The number of directors of the corporation shall be as provided in the By-Laws, but shall not be less than three.

ARTICLE XIII

BY-LAWS

The authority to adopt, alter, amend or repeal by-laws for the corporation is vested in the Board of Directors of the corporation, but by-laws may also be adopted, altered, amended or repealed by the members at a duly called annual or special meeting of the members.

ARTICLE XIV

DISTRIBUTION OF ASSETS ON DISSOLUTION

In the event the corporation is dissolved, the net assets are to be distributed in equal shares among the members (i.e., those who are members at the time of dissolution); provided, however, the corporation may collect any sums owing to it from a member from that member's share.

ARTICLE XV

NO EFFECT ON RIGHTS OF SPRING POINT, INC.

Nothing in these articles of incorporation shall be deemed to affect the rights of Spring Point, Inc. to levy assessments within its authority or collect hookup or other charges for services provided by Spring Point, Inc., including water services provided.

ARTICLE XVI

INITIAL DIRECTORS

The number of directors constituting the initial Board of Directors shall be three. The names and addresses of the persons who are to serve as the initial directors of the corporation are as follows:

Donald R. McVay	2555 Second Avenue West, Seattle 98119
Phillip Jacobson	3335 51st Avenue N.E., Seattle 98105
Susan Barnes	1801 Blenheim Drive E., Seattle 98112

ARTICLE XVII

INCORPORATOR

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

Susan Barnes	1801 Blenheim Drive E., Seattle 98112
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ARTICLE XVIII

REGISTERED OFFICE

The address of the initial registered office of the corporation shall be:

Spring Point Homeowners Association
c/o Durning & Smith
1411 Fourth Avenue Building
Seattle, King County, Washington 98101

The name of the initial registered agent of the corporation at such address shall be

Marvin B. Durning

IN WITNESS WHEREOF, the incorporator, who is over the age of twenty-one (21) years, has signed these Articles of Incorporation in triplicate this 13th day of August, 1974.

Susan L. Barnes

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

SUSAN L. BARNES, being first duly sworn on oath, deposes and says:

That she is the incorporator of Spring Point Homeowners Association and that she has read the foregoing Articles of Incorporation, knows the contents thereof and believes the same to be true.

Susan L. Barnes

SUBSCRIBED AND SWORN to before me this 15th day of August, 1974.

April C. Primm
Notary Public in and for the State
of Washington, residing at Seattle
Lynnwood