

**ARTICLES OF INCORPORATION
OF
KALA POINT SWIM AND RACQUET CLUB**
Recorded October 2, 1975

KNOW ALL MEN BY THESE PRESENTS: That the undersigned, being a natural person over the age of 21 years, and a citizen of the United States acting as incorporator of a corporation under the provisions of the Washington Non-Profit Corporation Act (RCW 24.03), does adopt the following Articles of Incorporation for such corporation:

ARTICLE I - NAME

The name of the corporation shall be KALA POINT SWIM AND RACQUET CLUB, hereinafter called the "Association".

ARTICLE II - DURATION

The duration of the corporation shall be perpetual.

ARTICLE III - PRINCIPAL OFFICE

The principal offices of the Association are located at 100 Kala Point Drive, Port Townsend, Washington.

ARTICLE IV - NON-PROFIT ENTITY

The corporation is one which does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes, and no part of any net earnings thereof shall inure to the benefit of any member or other individual.

ARTICLE V - REGISTERED AGENT

Benjamin A. Luchini, whose address is 4201 Rucker Avenue, Everett, Washington 98203, is hereby appointed the initial registered agent of this Association.

ARTICLE VI - PURPOSE

The specific purposes for which this Association is formed are to provide for maintenance, preservation, perpetual control and development of lots, parcels, tracts and common areas within certain properties situated in the vicinity of the City of Port Townsend, Jefferson County, Washington, and in general to promote the health, safety and welfare of the residents within such property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and to foster and maintain acquaintanceship and friendship among the members of the Association for social, sporting, recreational, and other group activities and events, and for this purpose to:

Section 1. Provide adequate means, financial or otherwise, for the maintenance, repair, replacement, upkeep, control and use of the property of the Association, whether real or personal, together with all appurtenances thereunto appertaining, including but not limited to specific property or properties hereinafter enumerated.

Section 2. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property as recorded in the Office of the Jefferson County Auditor, Jefferson County, Washington, bearing Auditor's Receiving No. 430207 as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as though set forth at length.

Section 3. Fix, levy, collect and enforce payment by any lawful means, all charges or assessment pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association.

Section 4. Acquire by gift, purchase or otherwise, and to own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

Section 5. Borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

Section 6. Have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Laws of the State of Washington by law may now or hereafter have or exercise, and do all those necessary and lawful things which in any way compliment the purposes set forth herein.

Section 7. To participate in mergers and consolidations with other non-profit corporations organized for similar purposes annex additional property and common areas.

ARTICLE VII - MEMBERSHIP

Every person or entity who is a record owner of a fee or an undivided fee interest or contract purchasers of any lot which is subject by the Declaration of Covenants, Conditions and Restrictions of Record to assessment by the Association, including contract seller, 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. No owner shall have more than one membership. Membership shall be inseparably appurtenant to ownership of any lot subject to assessment by the Association. Ownership of such lot shall be the sole qualification for membership. On transfer of ownership or the execution by any member of a contract for the sale of any such lot or lots, such membership shall ipso facto be deemed to be transferred to the grantee or contract purchaser.

ARTICLE VIII - VOTING RIGHTS

Section 1. The Association shall have no capital stock. The interest of each member in the Association shall be represented by a membership certificate. The secretary of the Association is irrevocably appointed as the attorney-in-fact for each person holding a membership in the Association for the purpose of endorsing and transferring any membership certificate upon the occurrence of an event requiring such transfer.

Section 2. There shall be two classes of voting membership:

a. Class A: Class A members shall be all owners or contract purchasers with the exception of the Declarant (as defined in the Declaration). Each Class A member shall be entitled to one vote. The interest of each member shall be equal to that of any other and no member shall acquire any interest which shall entitle him to any greater voice, vote, authority or interest in the Association than any other member, provided, this limitation shall not apply to a Class B member(s). When more than one person holds an interest in any lot other than as a marital community, all such persons shall be deemed to be members and their vote shall be exercised as they among themselves determine, and designate, but in no event shall more than one vote be cast with respect to any such membership.

b. Class B: The Class B member(s) shall be the Declarant. The Class B member(a) shall be entitled to one (1) vote for each unsold platted lot in the subdivision. Provided, however, the Class B membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

- (1) When the total lots outstanding in the Class A membership exceeds the total lots outstanding in the Class B membership; or
- (2) After the expiration of the development period which is defined to be the occurrence of (1) above or the expiration of five years from the first day of January, 1975, whichever first occurs.

Provided, however, the termination of the development period shall not impose upon the Declarant the obligation to pay dues and assessments levied by the Association.

Section 3. The members of this Association shall have all rights, privileges and obligations as set forth in the Bylaws of this Association and in the Declaration.

ARTICLE IX - DISSOLUTION DISTRIBUTION OF ASSETS

Upon dissolution any assets of the Association remaining after settlement of all debts, obligations and liabilities shall be distributed to any organization which is exempt under the provisions of Section 501 of the Internal Revenue Code of the United States. The organization or organizations to which such distribution shall be made shall be selected by a majority of the members of the Association existing as of the date of such dissolution.

ARTICLE X - BOARD OF DIRECTORS

Section 1. The affairs of this Association shall be managed by a board of no less than three (3) nor more than nine (9) directors who need not be members of the Association. Subject to such limitations the number of directors shall be fixed by the by-laws from time to time. Names and addresses of the directors who will first manage the affairs of the corporation for a period not to exceed six (6) months from the date of these Articles are as follows:

<u>Name</u>	<u>Address</u>
Edwin R. Croom	Box 54, Port Ludlow, Washington
Renate Croom	Box 54, Port Ludlow, Washington
Paul H. Dencker	757 Baden Baden
	Quettigstrasse 26, West Germany

Section 2. At the first annual meeting the members shall elect one third of the directors for a term of one year, one third of the directors for a term of two years, and one third or less of the directors for a term of three years; at each annual meeting thereafter the members shall elect replacement directors to serve for a three year term.

ARTICLE XI - LIABILITIES

The highest amount of indebtedness or liability, direct or contingent, to which this Association may be subject at any one time shall not exceed \$50,000.00 while there is a Class B membership, and thereafter it shall not exceed 150 percent of its gross income for the previous fiscal year, provided, however, additional amounts may be authorized by the assent of sixty-six (66%) percent of the Class A membership.

Articles of Incorporation

Section 1. The Association may, at any time, annex additional residential properties and common areas to the properties described in the Declaration, and thus add to its membership under the terms of the provisions of Article VII. Provided, however, that after the development period any such annexation shall have the assent of sixty-six (66) percent of the entire Class A membership.

ARTICLE XIII - MEETINGS FOR CONTEMPLATED ACTION

ARTICLE XIV - AMENDMENTS

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the state of Washington the undersigned, the incorporator of this Association, has executed these Articles of Incorporation this 1st day of August, 1975.

STATE OF WASHINGTON)
)
COUNTY OF JEFFERSON)

Given under my hand and official seal, this day and year last above written.

Articles of Incorporation

351439



RECORDED IN
VOL. 379 PAGE 492
OF OFFICIAL RECORDS
REQUEST OF
Kala Point
1992 JUL -9 AM 10:44

MARY E. GABOURY
JEFFERSON COUNTY AUDITOR

BY K. Boer DEPUTY

STATE of WASHINGTON SECRETARY of STATE

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal,
hereby issue this

CERTIFICATE OF AMENDMENT

to

KALA POINT SWIM & RACQUET CLUB

a Washington Non Profit corporation. Articles of Amendment were
filed for record in this office on the date indicated below.

Changing name to KALA POINT OWNERS' ASSOCIATION

Corporation Number: 2-250423-7

Date: August 26, 1986



SSF 58

Given under my hand and the seal of the State
of Washington, at Olympia, the State Capitol.

Ralph Munro, Secretary of State

JUL - 9 1992

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351440

RECORDED IN
VOL 379 PAGE 493
OF OFFICIAL RECORDS
REQUEST OF

FILED

AUG 26 1986

Recorded at Request of
Board of Directors of Kala Point Owners' Ass'n *Kala Point*

1992 JUL -9 AM 10:45

When Filed Return to:
John M. Vincent, Attorney at Law
11650 Highway 20
Port Townsend, Washington 98368

MARY E. GABOURY
JEFFERSON COUNTY AUDITOR
BY *Y. Bacit* DEPUTY

ARTICLES OF AMENDMENT OF INCORPORATION OF

KALA POINT SWIM & RACQUET CLUB

KNOW ALL MEN BY THESE PRESENCE: That by the vote of three-fourths of the membership at a duly noticed and held meeting of the Kala Point Swim & Racquet Club held July 13, 1986, the membership did adopt the following amendment to the Articles of Incorporation, which amendment is as follows:

Article 1. The name of the corporation is changed from KALA POINT SWIM & RACQUET CLUB to KALA POINT OWNERS' ASSOCIATION.

The foregoing amendment to the Articles of Incorporation of the Kala Point Owners' Association was duly adopted at a regular noticed and held meeting of the corporation held on July 13, 1986, at which a quorum was present, and that such amendment to the Articles received at least three-fourths of the votes of the entire membership of the corporation, whether such votes were represented by members present at such meeting or represented by proxy votes from other members.

KALA POINT OWNERS' ASSOCIATION

By *Arnold W. Bryant*
President

STATE OF WASHINGTON)
COUNTY OF JEFFERSON)

VERIFICATION

The undersigned on oath states that she is the secretary of the Kala Point Owners' Association, and that she has read the foregoing Articles of Amendment, knows the contents, and affirms that the foregoing was adopted at a duly held and noticed meeting of the membership of the Kala Point Owners' Association on the day and year above indicated.

KALA POINT OWNERS' ASSOCIATION

By *Arthur Lea*
Secretary

JUL - 9 1986

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