

**ARTICLES OF INCORPORATION**  
**of**  
**Arrowhead Point Homeowners Association**

Adopted and Executed January 4, 1989

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JAN 09 1989

SECRETARY OF STATE  
STATE OF WASHINGTON

ARTICLES OF INCORPORATION

OF

ARROWHEAD POINT HOMEOWNERS ASSOCIATION  
A Nonprofit Corporation

KNOW ALL MEN BY THESE PRESENTS that the undersigned natural person, being over the age of twenty-one (21) years, and for the purposes of forming a corporation under the Washington Nonprofit Corporation Act, hereby adopts the following Articles of Incorporation.

ARTICLE I  
NAME

The name of the Corporation (hereinafter call [sic.] the "Association") is ARROWHEAD POINT HOMEOWNERS ASSOCIATION.

ARTICLE II  
DURATION

The Association shall exist perpetually unless and until dissolved according to law.

ARTICLE III  
PURPOSES AND POWERS OF THE ASSOCIATION

This Association is organized as a nonprofit corporation and does not contemplate the distribution of income to its Members, Trustees or Officers, and its object is not the generation of pecuniary profit. 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 planned unit development situated in Spokane County, Washington, commonly known as Arrowhead Point, and to promote the health, safety, welfare, recreation, education, and social interaction of all residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for such purpose, all according to that certain Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements (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 By-laws, 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, use, 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 the 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 nonprofit 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 Washington Nonprofit Corporation Act 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. The Owner of a Unit shall automatically, upon becoming an Owner, be a Member of the Association, and shall remain a Member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership shall be in accordance with these Articles of Incorporation and the Bylaws of the Association.

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 Unit 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 Unit should fail or refuse to transfer the membership registered

in his name to the purchaser of his Unit, 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. Classes of Membership. The Association shall have two (2) classes of voting membership established according to the following provisions:

(a) Class A Membership. Class A membership shall be that held by each Owner of a Unit other than Arrowhead Point Partnership, (the "Declarant") or a Builder (as defined in the Declaration), and each Class A Member shall be entitled to one (1) vote for each Unit owned. If a Unit is owned by more than one (1) person, each such person shall be a Member of the Association, but there shall be no more than one (1) vote for each Unit.

(b) Class B Membership. Class B membership shall be that held by the Declarant (or its successor-in-interest) and all Builders who shall be entitled to three (3) votes for each Unit owned by Declarant or a Builder; provided that Class B membership shall be converted to Class A membership and shall forever cease to exist on the occurrence of whichever of the following is first in time:

(1) When the total outstanding voting power held by Class A Members in a particular Phase equals the total outstanding voting power (tripled as above) held by the Class B Members; provided, however, that Class B membership shall thus terminate only with respect to that particular Phase; or

(2) On the third anniversary of the recordation of the Declaration or of the Declaration of Annexation for the most recently annexed Phase of the project; or

(3) On the seventh anniversary of the recordation of the Declaration.

5. Limitation of Payment to Dissenting Member. 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 PRINCIPAL OFFICE AND AGENT

The initial principal office of the Association shall be at North 8205 Division, Suite 200, Spokane, Washington 99208, which office may be changed at any time by the Board of Trustees without amendment of these Articles. The initial registered agent at such address shall be Robert L. Heitman, Jr.

ARTICLE VI  
BOARD OF TRUSTEES; INCORPORATOR

Except for the initial Board identified below, and beginning at the first meeting of the Members of the Association, the affairs of this Association shall be managed by a Board of five (5) Trustees, who need not be Members of the Association, until conversion of Class B memberships to Class A, after which time all Trustees must be Members of the Association. The number of Trustees may be changed by amendment of the By-laws of the Association. The names and addresses of the three individuals who shall act as the initial Trustees of the Association, until the selection of their successors, are:

<u>NAME</u>	<u>ADDRESS</u>
Robert L. Heitman, Jr.	N. 8205 Division Spokane, WA 99208
David Henry	W. 4312 Rutter Parkway Spokane, Wa 99208
Richard C. Nelson	Washington Trust Building Suite 900 Spokane, Wa 99201

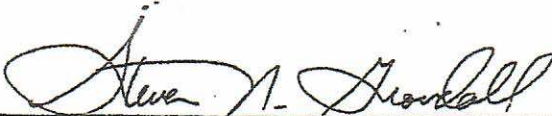
The name and address of the incorporator of the Association is:

Steven N. Grovdahl  
E. 111 Lincoln Rd. #104  
Spokane, Wa 99208

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 Trustees or persons in charge of the liquidation shall divide the remaining assets among the Members in accordance with their respective rights thereto.

For the purpose of forming this Association under the laws of the State of Washington, the undersigned, as the incorporator of this Association, has executed these Articles of Incorporation on January 4, 1989.

  
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STEVEN N. GROVDAHL

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JAN 09 1989

SECRETARY OF STATE  
STATE OF WASHINGTON

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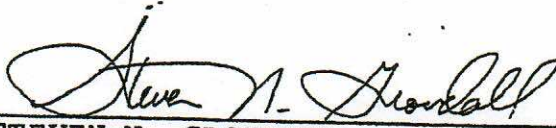
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