

SPRING POINT
HOMEOWNERS
ASSOCIATION

AMENDED DECLARATION
OF
COVENANTS, CONDITIONS,
AND RESTRICTIONS
(CC&Rs)

MAY 2006

TABLE OF CONTENTS

AMENDED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SPRING POINT	2
ARTICLE I - DEFINITIONS	2
ARTICLE II - COMMON AREAS	3
ARTICLE III - EASEMENT GRANTED TO OWNERS	4
ARTICLE IV - SPHA WATER SYSTEM	4
ARTICLE V - LAND USE RESTRICTIONS	5
Section 1. Subdivisions and Combinations:.....	5
Section 2. Land Use and Allowable Structures.....	5
Section 3. Leases and Rentals	6
Section 4. Cutting of Trees and Land Clearing.....	6
Section 5. Signs.....	7
Section 6. Water Well and Water System Protection.....	7
Section 7. Utilities.....	7
Section 8. Common Land Drainfields and Septic Systems.....	7
ARTICLE VI - SPRING POINT HOMEOWNERS ASSOCIATION MEMBERSHIP, RIGHTS, AND ASSESSMENTS	8
Section 1. Membership.	8
Section 2. Voting Rights.....	8
Section 3. Members’ Easements of Enjoyment.....	8
Section 4. Notification Responsibility	9
Section 5. Covenant for Association Assessments.....	9
Section 6. Purpose of Assessments.....	10
Section 7. Annual Assessments.....	10
Section 8. Special Assessments.....	10
Section 9. Uniform Rate of Assessments	11
Section 10. Water Use Charges, Construction Fees, and Other Charges and Fees.....	11
Section 11. Incurring of Debt.....	12
Section 12. General Property Taxes.....	12
Section 13. Remedies for Nonpayment of Assessments, Charges, or Fees.....	12
Section 14. Subordination of Lien to Mortgages.....	12
Section 15. Exempt Property.....	13
ARTICLE VII - ARCHITECTURAL CONTROL AND STANDARDS.....	13
Section 1. Architectural Control Committee	13
Section 2. Purview of the Architectural Control Committee	13
Section 3. Scope of Approvals Required	13
Section 4. Approval Process	13
Section 5. Completion of Construction.....	14
Section 6. Building Locations and Setbacks	14
Section 7. Building Standards.....	15
ARTICLE VIII – GOOD NEIGHBOR POLICIES	15
Section 1. Good Neighbor Policies.....	15
Section 2. Animals.....	15
Section 3. Hunting, Discharge of Firearms, and Fireworks.....	16
Section 4. Nuisances and Hazardous Materials.....	16
Section 5. Residential Businesses.....	16
Section 6. Road Use, Vehicles, and Parking.....	16
Section 7. Noise	17
Section 8. Use of Common Beach and Dock.....	17
ARTICLE IX - SPECIAL COVENANTS ON CERTAIN PARCELS.....	17
Section 1. (CH) Chartwell Property.....	17
Section 2. (Y) Exhibit G Property.....	18
Section 3. (X) Exhibit H Property.....	18
ARTICLE X - AUTHORITY TO GRANT EASEMENT	18
ARTICLE XI - GENERAL PROVISIONS	18
Section 1. Enforcement.....	18
Section 2. Severability.....	19
Section 3. Amendment.....	19

AMENDED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SPRING POINT

THIS IS AN AMENDED DECLARATION made on the date hereinafter set forth by SPRING POINT HOMEOWNERS ASSOCIATION, a Washington non-profit corporation, hereinafter referred to as "Declarant,"

WITNESSETH:

WHEREAS, Spring Point is a special place. The people who have chosen to live here have done so to observe and appreciate the rhythm of nature. There is a tradition of maintaining the natural setting while trying to blend in as unobtrusively as possible. These covenants have been written in an attempt to maintain this tradition while allowing as much free choice as possible for our members.

WHEREAS, the property described in Exhibit A and Exhibit B is presently subject to that certain Declaration of Covenants, Conditions, and Restrictions as recorded under San Juan County Auditor's File No. 71612 as altered by subsequent amendments and supplements to that declaration as recorded under San Juan County Auditor's Files No. 76834, No. 118706, No. 19990924006, and No. 20030328028, and

WHEREAS, Section 3 of Article X of the Declaration, as in effect prior to this amendment, provides that the covenants and restrictions may be amended during the first twenty-year period by an instrument signed by not less than the owners then owning two-thirds of the properties subject to this declaration and thereafter by an instrument signed by not less than the owners then owning sixty percent (60%) of the properties subject to the declaration, and

WHEREAS, some of the provisions of the original declaration and changes thereto are no longer necessary or are not consistent with the present member intent, and

NOW, THEREFORE, Declarant hereby amends that certain Declaration of Covenants, Conditions, and Restrictions recorded under San Juan County Auditor's File No. 71612 and all subsequent versions to date, including but not limited to those recorded under San Juan County Auditor's Files No. 76834, No. 118706, No. 19990924006, and No. 20030328028 and hereby declares that all of the property described in Exhibit A and B shall be held, sold, and conveyed subject to the following amended covenants, conditions, restrictions, reservations, easements, liens and charges. These covenants and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title, or interest in the described properties, or any part thereof, and shall inure to the benefit of each owner thereof. Articles I through XI are amended in their entirety and as set forth below.

ARTICLE I - DEFINITIONS

Section 1. "Association" shall mean and refer to Spring Point Homeowners Association, (SPHA), a nonprofit corporation, its successors, and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in Exhibit A and Exhibit B.

Property A shall mean and refer to that certain real property described in Exhibit A. Property B shall mean and refer to that certain real property described in Exhibit B.

Section 3. "Common Area" shall mean all real property owned by or granted to the Association, either in fee or as a non-exclusive easement for the common use and enjoyment of the members of the Association, for the purpose intended.

Section 4. "Common Road Area" shall mean all real property granted either in fee or as a non-exclusive easement for the purpose of ingress, egress, and utility purposes for the common use and enjoyment of the owners of lots within the properties.

Section 5. "SPHA Water System" shall mean and refer to a domestic water system owned by or under the control and management of the Association.

Section 6. "Member" shall mean and refer to every person or entity that is a member of the Association as further defined in Article VI, Section 1 and 2.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities of a fee simple title to any lot within 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.

Section 8. "Declarant" shall mean and refer to the Spring Point Homeowners Association, their successors and assigns of the properties.

Section 9. "Lot" shall mean and refer to any plot of land shown upon the recorded subdivision of the SPHA properties with the exception of the Common Areas and Common Road Areas.

ARTICLE II – COMMON AREAS

Section 1. Declarant holds a non-exclusive easement for park, recreation, and storm water management on the following described property:

(a) Those areas as shown on the Plat of Spring Point, Division No. 1, a private subdivision, according to the plat recorded in Volume 3 of Plats, pages 41, 41A, 41B, 41C, 41D, and 41E, records of San Juan County, Washington, and Plat of Spring Point, Division No. 2, a private subdivision, according to the plat recorded in Volume 3 of Plats, pages 41, 41A, 41B, 41C, 41D, and 41E, records of San Juan County, Washington.

(b) That certain property as specifically described in Exhibit C attached hereto and by reference incorporated herein.

Section 2. The owners of lots shall have the use and benefit of the common areas designated for park and recreation purposes, subject to such rules and regulations for the use thereof as may be established by the Association.

Section 3. The owners of lots within Property A shall have the use and benefit of the SPHA water system established within the common areas, subject to such rules and regulations for the use thereof as may be established by the Association.

The owners of lots within Property B shall not have the right to the use and benefit of the SPHA water system, except those specific rights for specific properties set forth in Article IX and provided further that the Association may, at the Association's option, contract with owners of lots within Property B to allow owners within Property B to be serviced by the SPHA water system.

Section 4. No personal buoys will be allowed in the water off the community beach.

ARTICLE III - EASEMENT GRANTED TO OWNERS

Declarant hereby grants to the owners and future owners of lots within Property A and Property B a non-exclusive easement for ingress, egress, and utility purposes as shown on the Plat of Spring Point, Division No. 1, a private subdivision according the plat recorded in Volume 3 of Plats, pages 41, 41A, 41B, 41C, 41D, and 41E, records of San Juan County, Washington, and Spring Point, Division No. 2, a private subdivision according to the plat recorded in Volume 3 of Plats, pages 41, 41A, 41B, 41C, 41D, and 41E, records of San Juan County, Washington, and together with a non-exclusive easement for ingress, egress and utility purposes as specifically described in Exhibit D attached hereto and by reference incorporated herein.

These easements shall be for the benefit of, appurtenant to, and construed as a covenant running with Property A and Property B. The use of said easements shall be subject to such rules and regulations as may be established by the Association.

ARTICLE IV - SPHA WATER SYSTEM

Section 1. The owners of lots within Property A shall have the use and benefit of said system as provided in Article II, Section 3, except as provided in Article IX.

Section 2. The Association shall establish such rules, regulations, and fees as are necessary including water hookup fees and installation and use of water meters, for the use and maintenance of the system, and the owners agree to comply with the rules and regulations and to pay the fees as established.

Section 3. All owners in Property A are required to belong to and pay dues and assessments to support the SPHA water system as their primary water system. No individual water well supply system for household use shall be permitted within Property A. Water systems other than a water well system may be permitted with approval of the Board of Directors of the Association.

Section 4. At such time as it is deemed in the best interests of the Association, the Association may transfer the ownership and operation of the SPHA water system to a public utility district or other governmental entity established for the purposes of providing a domestic water system. (See Article VI, Section 3(e)).

ARTICLE V - LAND USE RESTRICTIONS

Section 1. Subdivisions and Combinations:

(a) No lot within Property A shall be further subdivided.

(b) Property B (except for the property described in Exhibit H) may be subdivided into lots of fifteen (15) acres or more in size. Thereafter, each lot so subdivided may be further subdivided into not more than three single-family residential lots, none of which may be smaller in size than two acres.

(c) The property described in Exhibit G may be subdivided into two parcels.

(d) The property described in Exhibit H may be subdivided into four parcels.

(e) For the purposes of dues and assessments, one or more lots that have been legally combined will be treated as a single lot. Lots may not be combined if there is a structure on each lot, if the lots are not adjacent, if each lot has a water meter, or if one lot has a common drain field. Upon the receipt of a copy of a recorded San Juan County document indicating a boundary line modification (combination), the treasurer will make appropriate adjustments to the records. In no instance will dues or assessments be refunded if the combination has taken place in the current fiscal year. In subsequent fiscal years, the combined lots will be treated as one. If subsequently separated, all excused fees and assessments become due and payable to the Association before transfer of title.

Section 2. Land Use and Allowable Structures.

(a) Uses Allowed:

Each lot shall be used for single-family residential purposes only, as either a permanent or a part-time residence.

(b) Uses Not Allowed:

- (1) No timeshare or vacation condominium ownership status allowed.
- (2) No "bed & breakfast" or hotel-type facility use allowed.
- (3) No multi-family housing, apartment use allowed.

(c) Not Allowed as Permanent Structures or Living Units:

(1) Mobile homes, motor homes, trailers, recreational vehicles, campers, camping units, tents, teepees, yurts or other membrane structures, geodesic domes, and other pre-built or similar structures, cars, trucks, and other vehicles are not allowed on any lot as a permanent structure or living unit.

(d) Temporary Living Units Allowed While Building:

(1) Trailers, motor homes, recreational vehicles, campers, and camping units may be used for temporary living for a period of up to eighteen (18) months during construction of a permanent residence, provided that (a) they are not visible from other properties, roads, or waterways or (b) their placement and location are approved in advance and in writing by the Architectural Control Committee, and the Committee may impose conditions upon the placement and use of such temporary unit.

- (2) Any temporary living unit shall be of flame-retardant materials or shall be made flame retardant in a manner approved by the most current Uniform Fire Code.
- (3) No permanent fixtures, i.e., plumbing, electrical, mechanical, or heating apparatus, including wood stoves, shall be installed in a temporary living unit except in vehicles which have such facilities factory installed.

(e) Storage of vehicles:

Trailers, motor homes, campers, recreational vehicles, camping units, boats, and boat trailers may be parked on a lot provided that they are not inhabited and are screened from view or not visible from other properties, roads, or waterways.

Section 3. Leases and Rentals

Owners who make their property available for lease or rental must so notify the Board in writing. Each owner who rents his/her property and who is not a resident on Orcas Island shall designate a resident representative other than the tenant who is an Orcas Island resident as a contact for the Association and shall so advise the Association. The designated resident representative must be empowered and responsible for taking action to make repairs and to enforce compliance by renters with all SPHA rules. Owners are responsible for assuring that their tenants are aware of and comply with the provisions of these covenants. Of particular concern are actions of tenants that create a nuisance or fire hazard. SPHA will bill owners, not designated representatives or renters, for dues, fees, utilities, and other charges.

Section 4. Cutting of Trees and Land Clearing.

(a) It is understood and agreed that the property herein has been purchased for its marine and sylvan view. Each owner should be entitled to maintain and preserve his/her view to the extent possible without unreasonably interfering with another's enjoyment of possession. To that end, each such owner, upon permission had from another owner, may be entitled to go upon the land of the latter and trim and remove foliage for the purpose of view improvement. Before any such action is taken, determination must be made as to which owner's property the foliage is on, and each owner is responsible for determining property lines. In the event of request made and permission denied, the dispute shall be referred to the Board of Directors for decision. No cutting of trees or trimming of foliage on common land is allowed without the prior written permission of the Board of Directors of the Association.

(b) Trimming and debris removal shall be accomplished in a reasonable manner without undue delay.

(c) Within Property A, prior written permission of the Board of Directors is required for owners to cut any living trees larger than nine inches in diameter measured three feet from the ground.

(d) Within Property B, no merchantable timber shall be cut except as follows:

- (1) Owners may cut up to five (5%) percent of the total merchantable timber on their lot in any one calendar year;
- (2) Land clearing shall be limited to that which is necessary and reasonable for the purposes of site preparation, for building, for agricultural purposes, for the elimination of threats by wildfire and windfall to buildings, and for view purposes.

(e) Any lawsuits or fines resulting from noncompliance will be payable by the property owner found at fault. Any liability incurred by the Association because of any ruling will be passed on to the offending party.

Section 5. Signs.

Posting house numbers visibly near the driveway entrance to each property is encouraged. No signs of any kind nor for any uses except owner or tenant name and street address signs, public notices by a political subdivision of the state, or as required by law shall be erected, posted, painted, or displayed by individual property owners, except that owners may display one "for sale" or "for lease" sign on a lot provided that the sign is no larger than 400 square inches in area.

Section 6. Water Well and Water System Protection.

(a) No owner shall construct or maintain a sewage disposal system that will contaminate or pollute another owner's domestic water supply or the Association's water system.

(b) No owner shall maintain any animals or fowl or dispose of any oil, chemicals, insecticides, or herbicides, or do any other act which will contaminate or pollute another owner's domestic water supply or the Association's water system.

(c) Any owner who violates these restrictions will be financially responsible for corrections and repairs. Any lawsuits or fines will be payable by the property owner found at fault. Any liability incurred by the Association because of any ruling will be passed on to the offending party.

Section 7. Utilities.

(a) Within Property A, all utilities shall be placed underground. Propane tanks shall be screened or otherwise invisible to neighbors and roadways.

(b) An easement for utility purposes ten (10) feet in width shall be reserved on all boundary lines of all lots within the properties.

(c) In the event an owner constructs a driveway to a common road and the terrain is such that the flow of surface water along the common roadway will be interfered with by the driveway, then in that event the owner shall install a 12-inch minimum diameter culvert to allow for the free flow of water under the driveway.

(d) Homeowners who obstruct, redirect, or otherwise interfere with the free flow of run-off water in established drainage paths on their property are solely responsible for the results of such action.

Section 8. Common Land Drainfields and Septic Systems.

Common land drainfield space may be available to Property A members who can demonstrate that they are unable to obtain approval from San Juan County to install an approved drainfield of any kind on their property. This refusal must be in writing. Permission to connect to the drainfield must be granted by the Board. Lot owners using common land drainfields must agree, in writing, to comply with all applicable County and State laws, rules, and regulations pertaining to septic systems and drainfields. Owners must also agree to maintain their septic systems in a responsible manner, including periodic inspections by a certified septic service. All expenses, including a land use fee, will be the responsibility of the lot owner.

ARTICLE VI - SPRING POINT HOMEOWNERS ASSOCIATION
MEMBERSHIP, RIGHTS, AND ASSESSMENTS

Whereas each owner of a lot has the beneficial use of the common park areas and the common road areas and said lots are benefited by certain non-exclusive easements for ingress, egress, and utility purposes, and there is a common water system for the owners of lots within property A, and

Whereas, it is necessary that a reasonable means of regulating the use of the common park areas, common road areas, and SPHA water system and determining maintenance, improvement, and allocation of the expenses be provided for, therefore, it is hereby agreed as follows:

Section 1. Membership.

Every person or entity who is an owner of record of any lot which is subject to the easements, covenants, conditions, and restrictions herein shall be a member of the Association and does hereby agree to the terms and conditions of the articles of incorporation, bylaws, and rules and regulations of the corporation as they now exist or are hereafter amended. The foregoing is not intended to include persons or entities that 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 that is subject to the easements, covenants, conditions, and restrictions herein. Ownership of such lot shall be the sole qualification.

Section 2. Voting Rights.

No person shall have more than one membership regardless of the number of lots owned or being purchased. The interest of each member shall be equal to that of any other member, and no person may acquire any interest that shall entitle said person to any greater voice, vote, or authority in the Association than any other member. In the case of lots owned jointly by two or more persons, these joint owners shall be considered in their entirety as the "member" and shall be entitled to one vote.

Section 3. Members' Easements of Enjoyment.

Every member who is an owner within Property A shall have a right and easements of enjoyment in and to the common area, common road area, and SPHA water system as set forth in Articles II, III and IV, and every member who is an owner within Property B shall have a right and easements of enjoyment in and to the common area and common road areas as set forth in Articles II and III and such easements shall be appurtenant to and shall pass with the title to every lot subject to the following provisions:

(a) The right of the Association to establish rules and regulations for the use of the common area, common road areas, and SPHA water system.

(b) The right of the Association to charge reasonable admission or other fees for the use of any recreational facilities constructed and situated upon the common area.

(c) The right of the Association to establish annual and special assessments for roads, facilities, common areas, and the SPHA water system.

(d) The right of the Association to suspend the voting rights and any rights to use of the common area by a member for any period during which any assessment against the member's lot remains unpaid and for a period not to exceed one hundred eighty (180) days for any infraction of the Association's published rules and regulations.

(e) The right of the Association to dedicate or transfer all or any part of the common area or SPHA water system to any public agency, authority, or utility provided that such dedication or transfer shall be approved by sixty percent 60% of the members of the Association, and provided that written notice of the proposed dedication or transfer shall be given to every member not less than thirty days nor more than sixty days prior to such action. (See Article IV, Section 4.)

(f) The right of the Association, after reasonable efforts to contact the owner, to access Spring Point properties, not including private structures, in order to investigate complaints of CC&R violations.

(g) The right of every member to delegate to family members, visitors, and tenants the member's right to the use of the common area and common facilities in accordance with the rules and regulations of the Association.

Section 4. Notification Responsibility

Owners of both Properties A and B are required to assure that the Association has their current mailing address and phone number, as well as timely notice of any change, action, or event pertaining to their property and governed by these CC&Rs.

Section 5. Covenant for Association Assessments.

(a) Creation of Lien and Personal Obligation of Assessment.

The Declarant, for each lot owned within the properties, hereby covenants, and each owner of any lot by acceptance of a deed or contract therefore, 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 as determined by the Board of Directors of the Association as provided for hereafter;
- (2) Special assessments as determined by the Board of Directors as provided for hereafter;
- (3) Water use charges and other charges and fees as determined by the Board of Directors as provided for hereafter;
- (4) The annual and special assessments, water use charges, and other charges and fees, together with interest at the rate of twelve (12) percent per annum thereon, or at a rate fixed from time to time by the Board of Directors. Costs of collection and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the lot owned by such member against which each such assessment, charge, or fee is made. Each such assessment, charge, or fee together with interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who is the owner of such property at the time when the assessment, charge, or fee fell due. The personal obligation shall not pass to any successor in title.

Section 6. Purpose of Assessments.

The assessments levied by the Association shall be used exclusively as follows:

(a) Annual Assessments.

(1) Annual assessments for owners of lots within Property A and Property B shall be for the following purposes:

- (aa) For the care, maintenance, and insurance of the SPHA common road areas,
- (bb) For the care, maintenance, and insurance of the common areas and for the payment of taxes thereon, if any,
- (cc) For the care and maintenance of SPHA utilities,
- (dd) For the cost and expenses of administering the Association.

(2) Annual assessments shall be equally divided among all lots. The Association shall not be responsible for nor shall owners be assessed for maintenance of private driveways or for roads located upon private easements.

(3) Additional annual assessments for owners of property eligible to hook up to the SPHA water system shall be for the purpose of the care, maintenance, insurance, and government approval of the SPHA water system.

(b) Special Assessments.

The purpose for special assessments shall be for the defraying, in whole or in part, the cost of any construction or reconstruction of common roads, costs of construction or reconstruction of capital improvements upon the common area, and cost of construction or reconstruction of the SPHA water system, or such other construction as may be agreed to in accordance with the provisions in Section 8 below.

Section 7. Annual Assessments.

Annual assessments and the date or dates that said assessments shall become due and payable shall be determined by the Board of Directors. 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 (60) percent of who are present in person or by proxy at any annual meeting, may modify or change the annual assessments as fixed by the Board of Directors.

Section 8. Special Assessments.

In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction of a capital improvement upon the common area including the necessary fixtures and personal property related thereto, or for the cost of construction or reconstruction of any common road, or for the cost of a capital improvement to the SPHA water system or such other construction as may be agreed to in accordance with Section (d) below; provided that:

(a) All SPHA lots will be equally assessed for all the cost of construction or reconstruction of any Spring Point roads, and the cost of any construction or reconstruction of a capital improvement upon the common area including the necessary fixtures and property related thereto.

(b) All lots eligible for hook-up to the SPHA water system will be equally assessed for the cost of a capital improvement to the water system.

(c) The Association shall not be responsible for the construction or reconstruction of private driveways or roads located on private easements nor shall owners within Property A and Property B be assessed for construction or reconstruction of private driveways or roadways located upon private easements.

(d) Any such special assessment shall have the consent of two-thirds of the votes of the members voting in person or by proxy at a meeting duly called for the purpose of considering the special assessment, written notice of which shall have been 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 (60%) percent 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 of the required quorum at the preceding meeting, provided that the notice of meeting shall give notice of the reduced quorum.

Section 9. Uniform Rate of Assessments.

The annual and special assessments for purposes other than the SPHA water system shall be fixed at a uniform rate for all lots.

The annual and special assessments for the SPHA water system shall be fixed at a uniform rate for all lots eligible for hook-up to the SPHA water system.

Section 10. Water Use Charges, Construction Fees, and Other Charges and Fees.

In addition to annual and special assessments, the Association may levy water use charges to lots eligible to be hooked up to the SPHA water system. Rates for water use shall be fixed by the Board and uniform for all lots using SPHA water, except that the rate structure may vary seasonally and may vary based on volume of water consumed so as to provide incentives for conservation.

In addition to annual and special assessments, the Association may levy charges or fees for road use, construction-related activity, parking in common areas, and/or other use of SPHA facilities or common property. Rates for such charges or fees shall be fixed by the Board and uniform for all members.

The Association may establish fees for non-compliance with the Covenants, Conditions, and Restrictions (CC&Rs) of the Association, provided that such non-compliance fees must be approved by a majority vote of the members.

All rates and fees shall be effective no sooner than 30 days after the Board so notifies members.

Section 11. Incurring of Debt.

The Board is empowered in accordance with the Articles of Incorporation to borrow money for the purpose of improving or repairing the common area and facilities and for that purpose may convey a security interest in said properties.

In conjunction with an annual or a special assessment, and under the notice and approval provisions of such an assessment (Sections 7 and 8 above), the Board may undertake multi-year loans at or below prevailing market rates. Such loans must be reported to members and fully accounted in the annual budget process.

In the event that the Association borrows money from any member or member's relative, said loan must allow for pre-payment without penalty, and the interest rate paid must be annually adjusted to assure that it remains at or below prevailing market rates. No member may vote at any time with respect to any SPHA loan for which that member or that member's relative is a lender.

Section 12. General Property Taxes.

The general property taxes for the common area shall be assessed at an equal and uniform rate for all lots within the properties. The county assessor and treasurer are authorized to assess each owner individually in accordance herewith. However, in the event the county assessor or treasurer are either unwilling or unable to assess and collect said general property taxes in this manner, the Association will do so as set forth under the provisions for annual assessments.

Section 13. Remedies for Nonpayment of Assessments, Charges, or Fees.

Any assessments, charges, or fees which are not paid when due shall be delinquent. If the assessment, charge, or fee is not paid within thirty (30) days after the due date, the assessment, charge, or fee shall bear interest from the date of delinquency at the rate of twelve (12%) percent per annum, or at a rate fixed from time to time by the Board of Directors, and the Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any action shall be added to the amount of the assessment, charge, or fee. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area, SPHA water system, or common road areas.

When an assessment, charge, or fee becomes delinquent, notice of said delinquency shall be mailed to the delinquent owner. If the delinquency is not paid within thirty (30) days, then the Association may file a notice of claim of lien, said notice to be as provided for under the laws of the State of Washington in regards to liens for labor and material. Said lien may be foreclosed in the same manner as the foreclosure of a mortgage under the laws of the State of Washington.

Upon request by an owner, the Association shall provide a certificate setting forth the amount of assessment, charge, or fee owed, and such certificate shall be conclusive evidence of payment of any assessments, charges, or fees stated to have been paid. The Association may make a reasonable charge for the issuance of said certificate.

Section 14. Subordination of Lien to Mortgages.

The lien of the assessments, charges, or fees provided for herein shall be subordinated to the lien of any first mortgage, deed of trust, or seller's interest in a real estate contract (and to the lien of any

second mortgage or second deed of trust 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 Association's lien. However, the sale or transfer of any lot which is subject to such first mortgage, deed of trust, seller's interest in a real estate contract, or purchase money second mortgage or second deed of trust, pursuant to a decree of foreclosure or in lieu of foreclosure thereof, or by forfeiture under a real estate contract shall extinguish the lien of such assessments, charges, or fees as to payment thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments, charges, or fees thereafter becoming due or from the lien thereof.

Section 15. Exempt Property.

The following property subject to this declaration shall be exempt from the assessments created herein:

- (a) All properties dedicated to and accepted by any public authorities.
- (b) The common areas.

ARTICLE VII - ARCHITECTURAL CONTROL AND STANDARDS

Section 1. Architectural Control Committee.

There shall be established within the Association an Architectural Control Committee. The Board of Directors shall appoint the Architectural Control Committee to consist of three or more members, including at least two Board members.

Section 2. Purview of Architectural Control Committee.

The Architectural Control Committee shall review plans and specifications in accordance with the provisions of this declaration for construction within Property A and the placement of trailers and other temporary living units within Property A, and shall grant or deny permission for any construction as set forth in this declaration. Architectural Control Committee review for construction within any Property B is limited to verifying setbacks.

Section 3. Scope of Approvals Required.

Within Property A, no structure or fence shall be constructed or placed or exteriorly altered without the written approval, in advance, of the Architectural Control Committee. Any building, fence, wall, or structure visible from any road, waterfront, adjoining residence, or community facilities must be approved in advance by the Architectural Control Committee. Approval from the Architectural Control Committee is required for any exterior modification, except repainting.

Section 4. Approval Process.

Applicants should discuss their projects with their neighbors early in the planning stages to explore and resolve potential problems. Although permission from neighbors is not required for approval, the purpose of the approval process is to avoid problems and detrimental impact on neighbors. During SPHA review, plans will be shown to the adjacent neighbors for comment, and any concerns that they express will be conveyed to the homeowner. Steps to be taken are as follows:

1. The owner should complete the Architectural Control Committee required application.
2. The owner should make a scale drawing of the proposed project, including top (plan) and side (elevation) views as necessary to clearly establish proposed location, elevation, and construction detail of the modification. The owner should include a site plan showing the

property lines, building locations, location of the Spring Point roads, floor plans, exterior elevations, and a description of the exterior materials and colors. These plans must be to scale.

3. The owner should submit two copies of the completed application and two copies of the scale drawing(s) to the Architectural Control Committee.
4. The application with the bottom portion completed by a member of the Architectural Control Committee or the Board president will be returned to the applicant. This copy serves as the receipt and documents the date on which the application was received.
5. The Architectural Control Committee shall make a decision as to the granting of permission for construction within forty-five (45) days after application by an owner and will send a Notice of Action on Application. In the event that the Architectural Control Committee fails to act within forty-five (45) days after receiving an owner's application, approval by the Architectural Control Committee and the Board of Directors and the Association shall have been deemed waived, and the owner may proceed with construction. If an application is disapproved, the Architectural Control Committee shall inform the applicant of the deficiencies in the application causing the Committee's disapproval. If, after discussion with the Committee, the applicant is willing to remedy those deficiencies, he/she may resubmit the application. If the applicant is not willing to remedy those deficiencies, he/she may appeal the Committee's decision in writing to the Board of Directors within 10 days of the decision. The Board of Directors shall review the decision of the Architectural Control Committee within forty-five (45) days of receipt of the notice of the appeal. In the event that an owner is aggrieved by the decision of the Board of Directors, the matter shall be submitted to mediation.
6. A road construction fee will be payable to the Association prior to construction. Final approval by the Spring Point Homeowners Association may be given once the SPHA treasurer verifies that all dues and assessments have been paid.

Section 5. Completion of Construction.

The work of construction of all buildings and structures shall be prosecuted diligently and continuously from commencement of construction until the structures are fully completed. All structures shall be completed as to external appearance within twelve (12) months from date of commencement of construction.

Section 6. Building Locations and Setbacks.

- (a) The Architectural Control Committee shall review the plans and specifications in regards to the following:
 - (1) The orientation and location of all structures including setback requirements in order that the structures are as compatible as possible with the natural surroundings and with the adjoining lots;
 - (2) The site design and height of the structure so that it is compatible with the site and adjoining property;

(b) Within Properties A, building locations and setbacks shall be in accordance with the laws of the State of Washington and the ordinances of San Juan County, and in addition, no building or structures shall be placed within twenty (20) feet of the main roads within Spring Point, to-wit, Spring Point Road, Orchard Drive, and Oak Lane. The 20-foot setback shall be measured from the edge of the road right-of-way (easement). Exceptions granted prior to August 28, 1999 are not revoked. Structures existing as of December 2005 within the 20-foot setback are grandfathered in.

(c) Within Properties B, building locations and setbacks shall be in accordance with the laws of the State of Washington and the ordinances of San Juan County, and in addition, no building or structures shall be placed within fifty (50) feet of the main roads within Spring Point, to wit, Spring Point Road, Orchard Drive, and Oak Lane except said restriction shall not apply to Parcel 5 and southern 175 feet of Parcel 6 as measured along the road going southwest from the intersection of the common line of Parcel 5 and Parcel 6 with the road. Attached hereto, marked Exhibit E and by reference incorporated herein, is a diagram setting forth said fifty (50) foot setback. The 50-foot setback shall be measured from the edge of the road right-of-way (easement). Exceptions granted prior to August 28, 1999 are not revoked. Structures existing as of December 2005 within the 50-foot setback are grandfathered in.

Section 7. Building Standards.

DRAINAGE: No change shall be made that is detrimental to drainage from any residential or common area site. Improvements must not place additional drainage burden on a neighboring lot or upon a common area. It is recommended that all homeowners intending to build obtain a copy of the engineering report concerning Spring Point drainage so that they are aware of those considerations and plan their building accordingly.

HEIGHT: Size and height of the structure must be compatible with the site and with adjoining property.

BUILDING EXTERIORS: Colors must be earth tones complementary to surroundings. No corrugated metal, metal siding, or glossy or highly reflective materials will be approved.

FENCES: Approval is made on a case-by-case basis. No chain link, concrete block, or lot perimeter fencing will be approved.

SATELLITE DISHES: Only satellite dishes under 24 inches in diameter are allowed, if visible from other properties or roadways.

ARTICLE VIII – GOOD NEIGHBOR POLICIES

Section 1. Good Neighbor Policies.

These policies apply to both private and common areas within Spring Point, and to all Properties A and B except as otherwise noted.

Section 2. Animals.

(a) No animals, livestock, or poultry of any kind, other than domestic house pets such as dogs and cats, shall be kept or maintained on any lot within the properties except:

- (1) Animals may be permitted on lots which are five acres or more in size, provided the keeping of animals is not for commercial purposes, or
- (2) The owner receives written permission from the Board of Directors.

(b) No animals may be bred or maintained for any commercial purpose.

(c) No animal may be kept at Spring Point that results in a nuisance to other residents, as determined by the Board. Animals may not be kept in numbers deemed unreasonable by the Board.

(d) Dogs must wear collars to which is attached a county license tag and identification of their owners, including either a telephone number and/or address.

(e) Dog owners are required to comply with applicable county laws. Owners are responsible for removing animal waste from private property, roadways, and common areas. Owners are responsible for enforcing these rules with renters, guests, and workers who bring animals to Spring Point. Owners of any animal considered to be a nuisance may be asked to further restrain their animal.

Section 3. Hunting, Discharge of Firearms, and Fireworks.

There shall be no hunting. There shall be no discharge of firearms, air guns, bows and arrows, other weapons or projectiles, or fireworks of any kind.

Section 4. Nuisances and Hazardous Materials.

Noxious or offensive activities are not allowed, nor shall anything be done which may be or may become an annoyance or nuisance to owners. No resident may store or use hazardous, noxious, or illegal substances that could be a hazard, nuisance, annoyance, law violation, or could impact the insurability of the Spring Point Homeowners Association.

Section 5. Residential Businesses.

Only unobtrusive types of businesses compatible with residential use may operate from a home at Spring Point. The residential business use shall not require any modification or alteration not customarily found in a home, nor shall it be visible from a street or adjoining properties. There must be no window display, advertising, sign, or other identification of the residential business on the premises. The residential business use shall not materially increase vehicular or pedestrian traffic over that normally found in the neighborhood or require any additional parking. No noise, dirt, fumes, odor, vibration, etc., not normally appurtenant to residential use nor greater in intensity or duration than that customarily associated with a home shall be emitted as a result of the residential business.

Section 6. Road Use, Vehicles, and Parking.

Spring Point roads are unpatrolled private rural roads maintained at SPHA expense. Motorists, cyclists, and pedestrians using these roads do so at their own risk, and the Association assumes no liability for such use. The quality, condition, signage, and other features of SPHA roads may be inferior to those of public roads. Spring Point access to public roads is not guaranteed, particularly during

inclement weather. Members, their guests, and service providers are urged to use caution at all times on SPHA roads, as well as chains or other special equipment appropriate for weather and road conditions.

The posted speed limit throughout the Spring Point road system is twenty (20) miles per hour. Members are responsible for reminding household members, guests, and workers of the 20-mph speed limit.

No noisy or smoky vehicles, off-road, or unlicensed vehicles shall be operated on Spring Point property.

Roadway parking that may cause a traffic safety hazard is not allowed even in the short term. Visitors should park on the road easement only if there is no space on the member's property and then only in such a way as to allow safe passage of traffic, including large emergency vehicles (fire trucks). In order to ensure adequate visitor parking, residents are asked to park only on their property, not on the road easement. Overnight parking on Spring Point roads is prohibited without express permission of the Board of Directors.

Section 7. Noise.

Residents shall keep the volume of entertainment devices, musical instruments, and other sound equipment down so as not to interfere with the quiet enjoyment by others of their respective residences. Residents are responsible for controlling pets that may create noise nuisances, and any animal that continues to cause a noise nuisance may require action for removal from Spring Point. Residents shall ensure that noise from engines, vehicle entertainment devices, horns, and from any other machinery or devices is kept below nuisance levels, as determined by the Board. Residents shall be responsible for ensuring that their workers, guests, and tenants observe this rule.

Section 8. Use of Common Beach and Dock.

The common beach, dock, and float have been set aside for use of Members, their guests and their tenants. Members and tenants must be aware that their guests are using the common beach, dock, or float. No fires, camping, or fireworks are allowed. Care should be exercised during the use of the dock and float to avoid damaging the desalination system plumbing attached to it. Boating use of the dock is limited to 72 hours.

ARTICLE IX - SPECIAL COVENANTS ON CERTAIN PARCELS

The following covenants and conditions shall be applicable to parcels described in Exhibits F, G, and H; and the equitable owners thereof have by their signatures to this declaration agreed to such covenants and conditions.

Section 1. (CH) Chartwell Property.

(a) All of the covenants and conditions applying to Property A shall be considered as covenants and conditions for the property described in Exhibit F.

(b) Lots 1, 2, 3, and 4 of Short Plat of Chartwell, a private subdivision, according to the plat thereof recorded in Volume 3 of Short Plats, at pages 32, 32A, 32B, and 32C in the office of the San

Juan County, Washington, being a portion of Government Lot 1, Section 13, Township 36 North, Range 3 West, W.M. shall be entitled to one water hook-up per lot with the Association.

Section 2. (Y) Exhibit G Property.

The property described in Exhibit G shall be subject to all of the covenants and conditions applicable to Property A except that:

(a) Said property may be subdivided once, and

(b) Said property whether subdivided or not shall be entitled to only one water hook-up with the Association, provided further that the lot without the water hook-up shall be entitled to have a water well system.

Section 3. (X) Exhibit H Property.

The property described in Exhibit H shall be subject to all of the covenants and conditions pertaining to Property B except that:

(a) Said property may be subdivided into four parcels, and

(b) Said property shall be entitled to two water hook-ups with the Association.

ARTICLE X - AUTHORITY TO GRANT EASEMENT

Presently there is property adjoining the north and west of the property herein, the owners of which have used an old road for a number of years. Accordingly, the Declarants hereby reserve the right to grant to those owners of property within Government Lot 4, section 12, Township 36 North, Range 3 West, W.M. for the benefit of that property a non-exclusive easement for ingress, egress, and utility purposes as described in Exhibit I attached hereto and by reference incorporated herein, together with an easement for ingress, egress, and utility purposes over, across, and under easements set forth in this declaration which would provide the shortest route to the county road, and provided further that said owners agree to pay to the Association their reasonable share of the cost of maintenance of said road, and the Association is authorized to enter into a contract with said owners for the use and maintenance of said roadway. All property owners shall be required to comply with speed limits and other SPHA road use rules.

ARTICLE XI - GENERAL PROVISIONS

Section 1. Enforcement.

In the event of any violation of the aforesaid restrictions, covenants, or conditions, it shall be lawful for the Association, or any person or persons owning any of the lots covered hereby, to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate the same, and either to prevent such person or persons from so doing or to recover damages for such violation. Notwithstanding the foregoing sentence, the Association shall not be obligated to enforce any of the terms of this instrument, and all instruments of conveyance signed by the Association shall not in any way cause the Association to become liable for any such breach. In the event that the Association undertakes legal action to enforce any provisions of this declaration, the Association shall be entitled to

receive reimbursement from the losing party for the Association's attorney fees, expert witness fees, and other costs incurred in conjunction with such legal action. If the owner fails to pay such fees within sixty (60) days of the request therefore, such fees shall become a lien against the owner's lot.

Section 2. Severability.

Invalidation of any of these covenants and conditions by judgment or court order shall not affect any other provision that shall remain in full force and effect.

Section 3. Amendment.

The covenants, conditions, and restrictions of this declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, and the owner of any lot subject to this declaration, including the Declarant, their respective legal representatives, heirs, successors, and assigns. The covenants, conditions, and restrictions of this declaration may be amended by an instrument approved by not less than sixty (60%) percent of the members subject to this declaration. Amendments shall take effect when they have been recorded with the Auditor of San Juan County.

This "AMENDED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS" was approved by the membership of the Spring Point Homeowners Association on May 23, 2006. This document supercedes the original, as well as all amended, supplemented, and revised versions of said declaration recorded to date.

IN WITNESS THEREOF, the undersigned have an interest in the properties herein and join in this declaration with the Declarant and approve the same this _____ day of _____, 2006.

Spring Point Homeowners Association:

By _____, President

By _____, Secretary

STATE OF WASHINGTON
SAN JUAN COUNTY

On this ___ day of _____, 2006, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ and _____ to me known to be the President and Secretary respectively of Spring Point Homeowners Association, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Attachments: Exhibits A, B, C, D, E, F, G, H, and I – these are legal descriptions of the various properties and easements pertaining to Spring Point.