

FILED

Secretary of State

State of Washington


Date Filed: 01/15/2025

Effective Date: 01/15/2025

UBI No: 601 743 381

**Articles of Amendment
Nonprofit Corporation
RCW 24.03A**

1. **UBI:** The UBI number of the Nonprofit Corporation is 601 743 381.
2. **NAME OF THE NONPROFIT CORPORATION:** The name of the Nonprofit Corporation is Islander Residents Association.
3. **BUSINESS TYPE:** The business type is not being changed.
4. **BUSINESS NAME CHANGE:** The business name is not being changed.
5. **CHARITABLE NONPROFIT CORPORATION:** The Nonprofit Corporation is not a Charitable Nonprofit as defined by RCW 24.03A.010(5).
6. **MEMBERS:** The Nonprofit Corporation does have members.
7. **AMENDMENTS:** The Fourth Amendment is attached hereto.
8. **REGISTERED AGENT.** The registered agent and their contact details have not changed.
9. **ADOPTION OF THE ARTICLES OF AMENDMENT:** The Articles of Amendment were duly adopted and approved by the members in the manner required by the Nonprofit Corporation's articles and bylaws, and by RCW 24.03A.665.
10. **DATE OF ADOPTION:** The date that the Articles of Amendment were adopted was October 31, 2024.
11. **EFFECTIVE DATE:** The Articles of Amendment are effective upon filing.
12. **AUTHORIZED PERSON.** I hereby certify, under penalty of law, that the above information is accurate and complied with the filing requirements of state law.

Signed by:

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Ann Lovejoy, President

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Work Order #: 2024121700843238 - 1

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**FOURTH AMENDMENT TO ARTICLES OF
INCORPORATION OF
ISLANDER RESIDENTS ASSOCIATION**

Pursuant to the provisions of Revised Code of Washington, Section 24.03A.665 of the Washington Nonprofit Corporation Act, ISLANDER RESIDENTS ASSOCIATION, a Washington nonprofit corporation (the "Corporation"), hereby restates its Articles of Incorporation, as follows:

**I.
NAME OF CORPORATION**

The name of the Corporation shall be the Islander Residents Association.

**II.
TERM**

The term of existence of the corporation shall be perpetual.

**III.
PURPOSES**

The Corporation's business and purpose shall consist solely of the following:

1. To purchase Islander Mobile Home Park ("Islander") in Bainbridge Island, Kitsap County, Washington, and then engage solely in the ownership, operation and management of Islander for and on behalf of the residents and homeowners therein, pursuant to and in accordance with these Restated Articles of Incorporation (the "Articles"), and the Corporation's Bylaws; and

2. To engage in such other lawful activities permitted to non-profit corporations under RCW Chapter 24.03A and to exercise on behalf of its members all those general powers enumerated in RCW Chapter 24.03A, all as are incidental, necessary or appropriate to the foregoing.

**IV.
MEMBERSHIP**

Membership in the Corporation shall be upon the following terms and conditions:

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Fourth Amendment to Articles of Incorporation

1. The number of Memberships in the Corporation shall be 50. Each Membership shall be appurtenant to a lot for a manufactured, modular or mobile home in Islander.

2. The following shall be the only persons eligible to be Members of the Corporation and own Memberships therein:

2.1 The owner or owners of the manufactured or mobile home on a manufactured home lot in Islander shall be eligible to purchase the Membership appurtenant to the lot. The owner or owners of the manufactured or mobile home on each lot may acquire the Membership for the lot on which their home is located upon their payment of the subscription price for such Membership, as established by the Board of Directors of the Corporation, from time to time, and upon execution of a long-term proprietary lease with the Corporation for their lot. Ownership of a Membership under this provision is contingent on ownership of the manufactured or mobile home located on the lot appurtenant to the Membership.

2.2 The owner or owners ("Adjacent Homeowner"), as of the date of the purchase of Islander by the Corporation, of a manufactured or mobile home on a manufactured home lot adjacent to Islander and owned by Madrona Way Investments, LLC are eligible to purchase a Membership for a lot located inside Islander. Within one year of the acquisition of Islander by the Corporation, an Adjacent Homeowner who purchases a Membership must relocate the Adjacent Homeowner's home to the lot appurtenant to the Adjacent Homeowner's Membership or acquire another home to locate on the lot. The Corporation and the Adjacent homeowner who acquires a Membership must identify at the time of purchase of the Membership the lot within Islander to which the Membership is appurtenant and on which the Adjacent Homeowner's manufactured or mobile home will be located. The Adjacent Homeowner buying a Membership may acquire the Membership upon payment of the purchase price for such Membership, as established by the Board of Directors of the Corporation. The Corporation shall issue to such Member a long-term proprietary lease for the lot when such Member commences residency in Islander. Upon commencement of residency in Islander, the Membership of an Adjacent Homeowner who purchases a Membership will be contingent on that Member's ownership of a manufactured or mobile home on the lot appurtenant to the Membership.

2.3 The City of Bainbridge Island, a Washington municipal corporation, (the "City") (or the City's assignee as may be permitted by these Articles, the Bylaws and/or any Proprietary Lease between the City and the Corporation) shall be eligible to purchase up to twelve (12) Memberships appurtenant to Islander lots. The City may acquire the Memberships for such lots upon payment of the subscription price for such Memberships, as established by the Board of Directors of the Corporation and upon execution of a long-term proprietary lease for each lot. The City is not required to own the manufactured or mobile homes on the lots to which the Memberships it owns are appurtenant and may sublease its interest as lessee under the proprietary leases for such lots, as allowed in these Articles and in the Bylaws.

3. Upon purchase of a Membership, the Corporation shall issue to the manufactured or mobile homeowner or owners or the City a Membership Certificate for the appurtenant lot. The Corporation shall execute with the homeowner or owners or the City a long-term proprietary lease for the lot at such times as set forth above or shall consent to the Assignment of a currently-existing proprietary lease from the prior lessee to the new homeowner or owners or the City. The length of the proprietary leases shall be set by the Board of Directors but shall not be for less than ninety-nine (99) years. *[Preparer's note: this Section of this Article was amended by the Third Articles of Amendment to the Restated Articles of Incorporation, which were approved by the Members on March 7, 2015.]*

4. The Corporation shall at all times have a lien upon the Membership and Membership Certificate of each Member for all indebtedness and obligations owing and to be owing by such Member to the Corporation, arising under the provision of any proprietary lease issued by the Corporation or arising under these Articles, the Bylaws or any other contract between the Member and the Corporation. To the extent permitted by law, the lien shall be superior to all other liens except that: (i) the Board of Directors may at its discretion subordinate the Corporation's lien position to that of a lender to a Member who finances either the purchase of the Membership or the manufactured, modular or mobile home of the Member; and (ii) without further action by the Board of Directors or the Corporation, the Corporation's lien rights under these Articles, and under applicable law shall automatically be subordinate to all liens or claims by any person or entity who makes a loan to the Member or the Corporation, for any purpose whatsoever, if such loans are not secured by a deed of trust or mortgage against fire real estate on which Islander is located. The Board of Directors may refuse to consent to the transfer of any Membership until all indebtedness owed to the Corporation is satisfied. *[Preparer's note: this Section 4 of this Article was amended by the 1st Articles of Amendment to the Restated Articles of Incorporation, which were filed on October 25, 2004]*

5. There is only one class of Membership in the Association.

V. MEMBERSHIP PRICE

The Board of Directors shall set the price for the Memberships.

VI. DISTRIBUTIONS

1. Members shall not be entitled to receive any distributions of surplus funds or monies from the Corporation's assets except as a return of surplus assessments, rent or maintenance fees paid to the Corporation by Members or maintenance fees paid to the Corporation by the Members to be distributed to Members in the same proportion as their Membership bears to the total number of issued and outstanding Memberships. *[Preparer's note: this Section of this*

Article was amended by the Third Articles of Amendment to the Restated Articles of Incorporation, which were approved by the Members on March 7, 2015.]

2. Upon dissolution or final liquidation of the Corporation, each Member shall be entitled to receive a distribution of the net liquidated assets after settlement of all Corporation obligations, including the expenses of liquidation, in an amount according to the ratio which each Membership bears to the total number of issued and outstanding Memberships; provided, that a Member's outstanding debt to the Corporation, if any, shall be deducted from any such distribution.

VII. MEMBERS' RIGHTS

Members' Rights in the Corporation shall be as follows:

1. The owner or owners of each Membership shall be entitled to one vote for that Membership at all duly called Membership meetings of the Corporation. No Members shall be disqualified from voting because of any outstanding debts owed by such Members to the Corporation. The City may assign all or any portion of its voting rights to sublessees under the City's subleases.

2. Members shall be entitled to receive from the Corporation or assume from a prior lessee a proprietary long-term lease for at least ninety-nine (99) years on the manufactured home lot on which their manufactured, modular or mobile home is located and to enjoy the possession and use of the lot for so long as such Members remain Members in the Corporation and comply with the terms of the proprietary lease. Each such lease shall be subject and subordinate to the deed of trust or mortgage on Islander of any lender which has made a loan to the Corporation (the "Lender") and which is secured by a deed of trust or mortgage encumbering Islander and which is duly approved in accordance with these Articles and Bylaws. Upon request by the Corporation, each Member shall execute any and all documents, including a subordination agreement, which may be required to secure any deed of trust or mortgage duly approved in accordance with these Articles and the Bylaws. *[Preparer's note: this Section of this Article was amended by the Third Articles of Amendment to the Restated Articles of Incorporation, which were approved by the Members on March 7, 2015.]*

3. Members may not sell, assign or transfer their Memberships in the Corporation except as set forth in the Bylaws. Members may not sell, assign or transfer their interests in the long-term proprietary leases for their lots except as set forth in these Articles and the Bylaws of the Association. Notwithstanding the foregoing, Members are permitted to pledge and/or assign, for security purposes, their interests in (i) their Memberships in the Corporation, or (ii) their long-term proprietary leases for their lots in Islander, to any person or entity which makes a loan to the Member or the Corporation, for any purpose whatsoever, if such loans are not secured by a deed of trust or mortgage against the real estate on which Islander is located. *[Preparer's note:*

this Section 3 of this Article was amended by the 1st Articles of Amendment to the Restated Articles of Incorporation, which were filed on October 25, 2004.]

4. For Islander manufactured home lots not appurtenant to Memberships owned by the City, no sublease of a proprietary lease for any such lot shall be allowed except with the consent of the Corporation's Board of Directors, which consent may be withheld for any reason, in the Board's discretion. A proprietary lease for such a lot may be assigned only upon the concurrent sale, transfer or devise to the prospective assignee of the Membership appurtenant to the lease and the manufactured home on the appurtenant lot, in accordance with these Articles and the Bylaws.

5. The City may sublease a proprietary lease for any of the manufactured home lots in Islander for which it owns the appurtenant Membership to any person who owns the manufactured or mobile home located or to be located on the lot or the City may own the home and Sublease to a City employee. The City may require that the sublessee meet income or other financial guidelines established by the City. The Corporation shall have the right to review and approve the prospective sublessee, which consent shall not be unreasonably withheld. The Corporation shall have the right to approve the forms and terms of any sublease used by the City, which consent shall not be unreasonably withheld. The Corporation shall also have the right to require the sublessee to attorn to the Corporation, covenant to comply with all terms of the City's lease including the timely payment of all maintenance fees or rent due, and consent to the Corporation's right to take action directly against the sublessee upon the breach of sublessee of any obligation assumed under the City's lease. The obligations of the City under any lease shall continue notwithstanding the execution of a sublease thereunder. *[Preparer's note: this Section 5 of this Article was amended by the 4th Articles of Amendment to the Restated Articles of Incorporation, which were approved by the Members on August 22, 2024.]*

6. In addition to the general transfer rights of Members set forth in the Bylaws, the City may assign and/or transfer any or all of its Memberships and/or proprietary lease(s) between the City and the Corporation associated with such Membership(s) to another public entity or agency authorized to lease, operate and/or manage affordable housing property, or to a nonprofit corporation organized and operating for purposes of preserving, operating and/or maintaining affordable or income qualified housing. Upon such assignment or transfer of the City's Membership(s), the assignee or transferee shall have the same rights and obligations of the City, as set forth in these Articles, the Bylaws and Proprietary Leases, and the City shall be released from any further obligations associated with such Membership(s); provided, however, that the City shall remain liable to the Association for all outstanding obligations incurred by the City prior to such assignment or transfer.

VIII.

Preparer's note: the provisions of this Article were deleted by the Third Articles of Amendment to the Restated Articles of Incorporation, which were approved by the Members on March 7, 2015.

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Fourth Amendment to Articles of Incorporation

IX.
TITLE TO CORPORATION PROPERTY

All property owned by the Corporation shall be owned by the Corporation as an entity and, insofar as permitted by applicable law, no Corporation member or officer shall have any ownership interest in any Corporation property in its individual name or right and, each share or membership interest in the Corporation shall be personal property for all purposes.

X.
SEPARATENESS PROVISIONS

The Corporation shall:

1. Maintain books and records and bank accounts separate from those of any other person;
2. Maintain its assets in its own name and in such a manner that it is not costly or difficult to segregate, identify or ascertain such assets;
3. Hold itself out to creditors and the public as a legal entity separate and distinct from any other entity;
4. Hold regular meetings of the Board of Directors and of the members, as appropriate, to conduct the business of the Corporation, and observe all other corporate formalities;
5. Prepare separate tax returns and financial statements and not permit its assets to be listed as assets on the financial statements of any other entity, or if a part of a consolidated group, then it will be shown as a separate member of such group;
6. Allocate and charge fairly and reasonably any common employee or overhead shared with affiliates;
7. Transact all business with affiliates on an arm's-length basis and pursuant to enforceable agreements, the terms of which are intrinsically fair, commercially reasonable and are no less favorable than would be obtained in a comparable transaction with an unrelated third party,
8. Conduct business in its own name, and use separate stationery, invoices and checks;
9. Neither make any loans or advances to any person or entity nor hold evidence of indebtedness issued by any person or entity;
10. Not assume, guaranty or pay the debts or obligations of any other person or hold out its credit as being available to satisfy the obligations of others;
11. Timely pay all of its tax obligations;
12. Pay its own liabilities only out of its own funds;

13. Not pledge its assets for the benefit of any other entity;
14. Pay the salaries of its own employees, if any, and maintain a sufficient number of employees in light of the contemplated business operations;
15. Correct any known misunderstanding regarding its separate identity;
16. Not acquire any securities or obligations of its officers, members or any affiliate;
17. Cause the officers and other representatives of the Corporation to act at all times with respect to the Corporation consistent and in furtherance of the foregoing and in the best interests of the Corporation while simultaneously considering the interests of its creditors;
18. Maintain adequate capital in light of the Corporation's contemplated business purpose, transactions and liabilities;
19. Remain solvent and pay all of its debts and liabilities from its assets as they become due; and
20. Not identify any of its members or any affiliate thereof as a division or part of the Corporation, and will not identify as a division or part of any other entity.

XI.

Preparer's note: the provisions of this Article were deleted by the Third Articles of Amendment to the Restated Articles of Incorporation, which were approved by the Members on March 7, 2015.

XII.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each director or officer now or hereafter serving the Corporation and the respective heirs, executors and administrators of each of them, shall be indemnified by the Corporation against all costs, expenses, judgments and liabilities, including attorney fees, reasonably incurred by or imposed upon them in connection with or resulting from any action, suit or proceeding, civil or criminal, in which he or she is or may be made a party by reason of being or having been such director or officer or by reason of any action alleged to have been taken or omitted as such director or officer, whether or not he or she is a director or officer at the time of incurring such costs, expenses, judgments and liabilities, except in relation to matters as to which he or she shall be finally adjudged, without right of further appeal in such actions, suit or proceeding, to have been liable for willful misconduct in the performance of his or her duty as such director or officer. Such indemnification shall be made with respect to adjudications other than on the merits and shall extend to settlements and compromises. The foregoing right of indemnification shall not be exclusive of other rights to which such director or officer may be entitled as a matter of law.

XII.

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Fourth Amendment to Articles of Incorporation

ORIGINAL BOARD OF DIRECTORS

As of the date of the adoption of the original Articles of Incorporation, there were five directors. Their names and addresses were as follows:

Jim Murphy	507 Madrona Way NE, Bainbridge Island, WA 98110
George Strobeck	516 Madrona Way NE, Bainbridge Island, WA 98110
Russell Melhorn	407 Madrona Way NE, Bainbridge Island, WA 98110
Robert Sinnett	211 Madrona Way NE, Bainbridge Island, WA 98110
John Sulonen	501 Madrona Way NE, Bainbridge Island, WA 98110

XIII.

Preparer's note: the provisions of this Article were deleted by the Third Articles of Amendment to the Restated Articles of Incorporation, which were approved by the Members on March 7, 2015.

XIV.

Preparer's note: the provisions of this Article were deleted by the Third Articles of Amendment to the Restated Articles of Incorporation, which were approved by the Members on March 7, 2015.

XV.

CONSTRUCTION

As used in these Articles, the masculine, feminine and neuter gender and the singular and plural number shall each be deemed to include the others whenever the context so indicates.

XVI.

AMENDMENTS

Any amendment to these Articles shall require the affirmative vote of two-thirds (2/3) of the Members present in person or by proxy at any regular or special meeting of the Membership called to amend the Articles in compliance with Washington law. *[Preparer's note: this Section of this Article was amended by the Third Articles of Amendment to the Restated Articles of Incorporation, which were approved by the Members on March 7, 2015.]*

ARTICLE XVII.

HUD MATTERS

1. HUD Loan Documents Control. Notwithstanding anything to the contrary said either hereinbefore or hereinafter in these Articles of Incorporation, if any of the provisions of these Articles of Incorporation conflict with the terms of the HUD-insured note, mortgage, deed of

trust, security deed, security agreement or HUD Regulatory Agreement (“HUD Loan Documents”) the provisions of the HUD Loan Documents shall control.

2. Amendments to Articles of Incorporation Require Prior HUD Approval. So long as HUD is the insurer or holder of the HUD-insured note, no provision required by HUD to be inserted into the Articles of Incorporation may be amended without HUD’s prior written approval. *[Preparer’s note: this Article titled “HUD Matters” is the only Article that HUD required be inserted in to the Articles of Incorporation.]*

3. Provisions that Would Have No Force or Effect, If They Existed. None of the following will have any force or effect without the prior written consent of HUD;

3.1 Any amendment that modifies the term of the mortgagor entity;

3.2 Any amendment that activates the requirement that a HUD previous participation certification be obtained from any additional person or entity (as set forth in Form HUD-2530, Previous Participation Certification or 24 C.F.R. Section 200.210, et seq.);

3.3 Any amendment that in any way affects the HUD Loan Documents;

3.4 Any amendment that would authorize any member, officer, or director other than the one previously authorized by HUD, to bind the mortgagor entity for all matters concerning the Project which require HUD’s consent or approval;

3.5 A change in the officers or pre-approved officers of the mortgagor entity and any other such change that is subject to the HUD TPA requirements contained in Chapter 13 of HUD Handbook 4350.1 REV-1, or that requires a vote of those who control the Corporation; or

3.6 Any change in a guarantor of any obligation to HUD. (including those obligations arising from violations of the Regulatory Agreement).

4. Corporate Powers. The Corporation is authorized to execute a note, mortgage, deed of trust or security deed and security agreement in order to secure a loan to be insured by HUD and to execute the Regulatory Agreement and other documents required by HUD in connection with the HUD-insured loan.

5. Incoming Owners. Any incoming member, officer, or director must as a condition of becoming a member, officer, or director of the Corporation agree to be bound by the HUD Loan Documents and all other documents required in connection with the HUD-insured loan to the same extent and on the same terms as the other members, officers, or directors.

6. Dissolution. Notwithstanding any other provisions, upon any dissolution, no title or right to possession and control of the Project, and no right to collect the rents from the Project, shall pass to any person or entity that is not bound by the Regulatory Agreement in a manner satisfactory to HUD

7. Key Principal Liability: The key principals of the Borrower identified in the Regulatory Agreement are liable in their individual capacities to HUD to the extent set forth in the Regulatory Agreement.

8. Voluntary Dissolution and Conversion. The approved Borrower entity shall not voluntarily be dissolved or converted to another form of entity without the prior written approval of HUD.

9. Designated Corporate Representative. The Corporation has designated Barbara Chrisman as its official representative for all matters concerning the Project that require HUD consent or approval. The signature of this representative will bind the Corporation in all such matters. The Corporation may from time to time appoint a new representative to perform this function, but within three business days of doing so, will provide HUD with written notification of the name, address and telephone number of its new representative. When a person other than the person identified above has full or partial authority of management of the Project, the Corporation will promptly provide HUD with the name of that person and the nature of that person's management authority.

10. Single Asset Entity. Unless otherwise approved in writing by HUD, the mortgagor entity's business and purpose shall consist solely of the acquisition, ownership, operation and maintenance of Islander Mobile Home Park, FHA Project No. 127-00072 (the "Project") located in the City of Bainbridge Island, Washington, and any activities incidental thereto. The Project shall be the sole asset of the Corporation, which shall not own any other real estate other than the aforesaid Project.

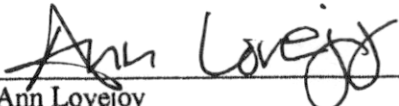
11. Limitation on Indemnification of Members, Officers, and Directors. Notwithstanding any provision in these Articles of Incorporation to the contrary, for so long as the Project is subject to a loan insured or held by HUD, any obligation of the Corporation to provide indemnification under these Articles of Incorporation shall be limited to (i) coverage afforded under any liability insurance coverage carried by the Corporation and (ii) available "surplus cash" of the Corporation as defined in the Regulatory Agreement. Further, until funds from a permitted source for payment of indemnification are available for payment, the Corporation shall not (a) pay funds to any members, officers, or directors, or (b) pay the deductible on an indemnification policy for any members, officers, or directors.

12. Nondiscrimination Policy. The Corporation shall conduct its affairs in a manner that does not discriminate with regard to race, color, creed, national origin, sex, age, religion or marital status.

[Preparer's note: this Article titled "HUD Matters" was adopted into the Articles of Incorporation by the 2nd Articles of Amendment to the Restated Articles of Incorporation, which were approved by the Members on April 13, 2013, and filed with the WA Secretary of State shortly thereafter.]

I certify that these Fourth Amendment to Articles of Incorporation of ISLANDER RESIDENTS ASSOCIATION correctly set forth without change the provisions of the Articles of Incorporation, as amended, and these Fourth Amendment to Restated Articles of Incorporation supersede the original Articles of Incorporation and all amendments thereto and restatements thereof.

DATED this 31st day of October, 2024.



Ann Lovejoy
President