

ARTICLES OF INCORPORATION
LUDLOW MAINTENANCE COMMISSION, INC.

KNOW ALL MEN BY THESE PRESENTS that we, the undersigned, all of whom are residents and citizens of the United States, interested in the provision of community services to areas now or hereafter platted as subdivisions or condominium projects within the following described property, as platted by or for Pope & Talbot, Inc. or Pope & Talbot Properties, Inc.

Section 8, 9, 16 and 17 of Township 28 North, Range 1
East of the Willamette Meridian.

said property being in Jefferson County, Washington, and a portion of the area generally known as "Port Ludlow", to the extent that subdivision or condominium plats within such area are subjected to restrictive declarations providing for membership in this corporation, acting as incorporators of a corporation under the provisions of the Washington Non-Profit Corporation Act (Revised Code of Washington Chapter 24.04), adopt the following Articles of Incorporation for said corporation:

ARTICLE I

The name of this corporation shall be:

LUDLOW MAINTENANCE COMMISSION, INC.

ARTICLE II

The duration of the corporation shall be in perpetuity.

ARTICLE III

The registered office and place of business of the corporation will be Room 208, Second & University Building, Seattle, WA 98101.^{1*}

¹ *Current Address of Corporate Office: PO Box 65060, Port Ludlow, WA 98365
Updated February 2007

ARTICLE IV

This corporation does not contemplate pecuniary gain or profit for itself or to its members, and is not authorized to issue shares of stock. Each member as such will have equal interest and voting right in the corporation, provided:

(a) In the election of trustees of the corporation, principles of cumulative voting shall not apply. Each member shall have that number of votes which is the number of trustees' vacancies to be filled, but may cast only one vote for any one nominee.

(b) Except as otherwise provided in subparagraph (c) below, no amendment of these articles shall be made unless approved by a two-thirds affirmative vote of all participating lot-owner-members and two-thirds affirmative vote of all participating condominium unit-owner-members.

(c) All matters involving (i) the imposition of capital assessments, (ii) the liquidation or dissolution of this corporation, (iii) the sale or disposition of principal assets of the corporation, (iv) the imposition of restrictions on the availability of corporate properties or facilities to members of the corporation, or (v) the amendment of this subparagraph (c), shall be approved by a two-thirds affirmative vote of all participating lot-owner-members and two-thirds affirmative vote of all participating condominium unit-owner-members, and shall also require the affirmative vote of at least fifty percent (50%) of the members, regardless of whether the members are owners of lots or condominium.

(d) As used in this Article IV, the term "participating" shall mean attending in person or by proxy at an annual or special membership meeting. As stated in the Bylaws, Article I, Section 3, "Each owner shall have one membership and one vote regardless of the number of lots or condominium units owned. A husband and wife holding a lot or condominium unit as community property or two or more other persons holding jointly or as tenants in common shall be entitled collectively to one membership."²

ARTICLE V

The membership of the corporation shall consist of the original incorporators who have not resigned their membership and of the owners of lots or condominium project units under recorded plats in the Port Ludlow area of Jefferson County, Washington, as described in the Articles of Incorporation, as such plats may be or may hereafter be recorded by or for Pope & Talbot, Inc. or Pope & Talbot Properties, Inc., or the successors or assigns thereof, if pursuant to such platting, restrictions and dedications as recorded, membership in this corporation is afforded lot owners and condominium unit owners in such platted areas and condominium projects. With respect to all lots and condominiums that the platting, restrictions and dedications as recorded, afford membership in this corporation beginning after April 15, 2000, if construction is undertaken thereon before membership is effective, it shall be a condition of membership that approval for such construction

² Article IV amended at a membership meeting held April 18, 2009

shall have been obtained from the Architectural Control Committee pursuant to the provisions, including without limitation all design considerations stated in Article II and all procedures stated in Article III, of Regulation II of The Regulations of this Corporation. A purchaser under a contract of purchase shall be deemed an owner for membership purposes, and the term "owner" as used in the Bylaws shall include a contract purchaser or assignees and holders of record of the vendee's interest under any such contract. The different classes of membership (if any), the proprietary voting and other rights and privileges of each class of membership, as well as the liability of each of all classes of membership for dues, assessments, and capital contributions, the method of collecting said dues, assessments, and contributions, and all such other matters necessary and proper to carry out the purposes for which the corporation is formed, shall be set forth in the Bylaws of the corporation. A certificate of membership may be issued to each member which, however, shall not be transferable except as provided in the Bylaws of the corporation.

The authority to formulate the initial Bylaws for this corporation having been vested in the members of the corporation, and said Bylaws having been adopted by a meeting of its members duly called, the Bylaws of the corporation may hereafter be amended or repealed only to the extent and by the methods provided for in the Bylaws.

ARTICLE VI

The purposes for which the corporation is formed are:

- A. To create or acquire or purchase or contract to purchase or lease real property designated as "common property" (which term excludes for purposes of these articles the common properties and common facilities of condominium projects in which the condominium unit owners are members hereof) in plats which are subject to restrictions reciting membership by owners thereof in this corporation, to develop the same for common benefit.
- B. To designate, remove and replace members of Architectural Control Committee as to the property of members and to institute proceedings for the enforcement of restrictions effective as to such property.
- C. To insure, protect, beautify and improve the common property, to provide park space and common facilities and services, to maintain control and orderliness of vacant property, to sponsor the provision of utility services, or to provide utility services and in so doing to make such applications and hold such permits and franchises as may be appropriate thereto, to pay taxes upon common property, to construct and control the use of structures appropriate for the common benefit and to make such undertakings as may be useful to the accomplishment of the purposes hereof.
- D. To levy, collect and enforce assessments upon members, as liens upon the lots or condominium units of members, for the provision of funds necessary or appropriate of the purposes of the corporation.

- E. To provide community services of every kind and nature in favor of the property of members subject hereto, except that no such activity shall be entered into for profit or for purposes other than as permitted to a non-profit corporation.

ARTICLE VII

The corporation shall have all the powers, not contrary to law or the statutes of the State of Washington, incident to, expedient or appropriate to carry out the purposes for which it is formed.

Specifically, and without limiting the generality of the foregoing, the corporation shall have the following powers:

- (a) To receive property by gift, devise or bequest, and otherwise acquire, purchase, rent, contract for, hold and convey all property, both real and personal, including shares of stock, bonds, and securities of other corporations;
- (b) To convey, exchange, lease, sell, mortgage, encumber or otherwise dispose of all property, real and personal;
- (c) To borrow money, contract debts, and issue notes, bonds, bills or evidence of indebtedness and to provide security for the payment or performance of its obligations;
- (d) To appoint such subordinate agents and officers as the business may require, and to make contracts, and to do all other acts necessary or appropriate for the administration of the affairs and attainment of the purposes of the corporation;
- (e) To improve the common property for the benefit of the members and to provide facilities and services consistent with the corporate purposes for the benefit of the members and their property;
- (f) To make and collect assessments, the same constituting liens upon the property of the members, and to enforce such liens, for the purpose of furthering the objects and purposes of the corporation;
- (g) To expend money as determined by the Board of Trustees of the corporation for corporate purposes of every kind and nature, including, without limitation, the construction and maintenance of improvements, the provision of services, the payment of taxes upon common property and the accumulation of necessary reserves;
- (h) To enter in and to perform all contracts and undertakings necessary or appropriate for the corporate purposes;
- (i) To adopt and enforce rules, regulations and restrictions pertaining to the use and enjoyment of the common property and facilities, including the extension of guest privileges;

- (j) To adopt and enforce rules, regulations and restrictions pertaining to the use of land owned by its members, that are not inconsistent with the recorded restrictions and dedications by which membership in this corporation is afforded lot owners and condominium unit owners and that are for the benefit of its members.
- (k) To render any lawful service to or on behalf of its members upon a non-profit basis, but not thereby restricting the right and power to accumulate reserves as may be necessary or useful for the continued performance by the corporation of its purposes.

ARTICLE VIII

The number of trustees of this corporation shall be as stated in the Bylaws of the corporation, and shall be not less than three nor more than nine in number. The names of the trustees who shall manage the affairs of the corporation for a period of not less than two months nor more than six months are as follows:

R.D. Bruce	1227 N.W. Norcross Way, Seattle, Washington
Robert E. Baird	15951 N.E. 1st, Bellevue, Washington
Alan Hoelting	9421 Lake Washington Blvd., NE, Bellevue, Washington

Trustees may be individuals who are members of this corporation or who are employed by or are nominated by members of the corporation. Prior to six months from date of formation of the corporation, a meeting of the members shall elect trustees to serve until their successors be elected and qualified as provided in the Bylaws. For so long as the number of trustees are three or four in number, at least one thereof shall be nominated and elected by the owners of participating condominium units; when the number thereof is five, six or seven, two of said trustees shall be nominated and elected by the owners of participating condominium units; when the number thereof is eight or nine, three of the trustees shall be nominated and elected by the owners of participating condominium units. Trustees other than those provided so to be nominated and elected by owners of participating condominium units shall be nominated and elected by owners of participating subdivision lots.

A trustee of this corporation shall not be personally liable to the corporation for monetary damages for conduct as a trustee, except for liability of the trustee for acts or omissions that involve (i) intentional misconduct by a trustee, (ii) a knowing violation of law by a trustee, or (iii) any transaction from which the trustee will personally receive a benefit in money, property, or services to which the trustee is not legally entitled. No amendment or repeal of this Article shall adversely affect any right or protection of a trustee of the corporation existing at the time of such amendment or repeal. (Amended April 16, 1988)

IN WITNESS WHEREOF, the incorporators have hereunto set their hands and seals this 8th day of May, 1968

s/ R.D. Bruce
s/ Robert E. Baird
s/ Alan Hoelting
s/ L.H. Hemila
s/ Vance L. Wood

ARTICLE IX

A trustee of this corporation shall not be personally liable to the corporation for monetary damages for conduct as a trustee, except for liability of the trustee for acts of omissions that involve:

- (i) Violation of law by a trustee;
- (ii) A knowing violation of law by a trustee; or,
- (iii) Any transaction from which the trustee will personally receive a benefit in money, property, or services to which the trustee is not legally entitled.

No amendment or repeal of this Article shall adversely affect any right or protection of a trustee of the corporation existing at the time of such amendment or repeal.³

³ Article IX adopted at a meeting held April 16, 1988; Amendment filed with the State of Washington, December 2, 1991. State of Washington Certificate of Amendment, Corporation No. 2-191074-0