

FILED
SECRETARY OF STATE

November 9, 2016

STATE OF WASHINGTON

RESTATED ARTICLES OF INCORPORATION
OF
PORT LUDLOW VILLAGE COUNCIL
(a Washington nonprofit corporation)

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The following restated articles of incorporation of Port Ludlow Village Council, a Washington nonprofit corporation, correctly set forth without change all operative provisions of the articles of incorporation as amended and supersede the original articles of incorporation and all amendments thereto.

I. NAME

The name of the corporation is Port Ludlow Village Council.

II. DURATION

The duration of the corporation is perpetual unless dissolved by operation of law or otherwise.

III. PURPOSES

The purposes for which the corporation is formed are (a) to be a unifying force in the Port Ludlow community and work toward building consensus among the residents, merchants, property owners and others having an interest in the Port Ludlow community, (b) to maintain and preserve wildlife preserves, trails, wilderness areas, open spaces and similar areas in the Port Ludlow vicinity not owned by homeowners associations such as Ludlow Maintenance Commission ("LMC"), South Bay Community Association ("SBCA") or village associations, and (c) to promote and protect the general interests of the Port Ludlow community.

IV. POWERS

In furtherance of its purposes, the corporation shall have all of the powers conferred directly or by implication upon nonprofit corporations by the provisions of RCW 24.03.035, subject to the limitation that no part of the net earnings of the corporation may be distributed to nor inure to the benefit of its Voting Members, Directors, Officers or other private persons, except that the corporation shall not be prohibited from (i) paying reasonable compensation to its employees or independent contractors, (ii) paying reasonable consideration for goods and services or (iii) reimbursing Voting Members, Directors, Officers or other private persons for authorized and reasonable expenses incurred in furtherance of the corporation's activities.

Subject to and without limiting the generality of the foregoing, the corporation is empowered:

To do any act or omit to do any act lawful for a corporation organized under RCW 24.03 et seq.;

To engage in architectural control in areas not under the architectural control of SBCA, LMC or other entities;

To obtain by gift, donation, purchase, lease or otherwise real and personal property, tangible and intangible, including operating entities and/or service entities, and to operate such properties or entities or make any improvements thereon;

To engage in lawful political and/or lobbying activities, but only to the extent permitted a charitable entity qualified under paragraph 501(c)(3) of the Internal Revenue Code of 1954, as amended;

To acquire, own and operate recreational and other facilities; and

To sponsor and/or promote municipal corporations such as public utilities or port districts and/or charitable or other organizations qualified under sections 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1954, as amended, if and to the extent deemed by the corporation's board of directors, in its sole discretion, to be of direct or indirect benefit to the Port Ludlow community.

Notwithstanding the purposes stated in Article III and the broad general powers described in this Article IV, this corporation does not have the power to engage in any activity which would disqualify it from the benefits of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended.

V. VOTING MEMBERS

All Voting Members of this corporation shall be owners of real property located within the Port Ludlow Master Planned Resort (the "MPR") established by Jefferson County by Resolution No. 72-98, pursuant to RCW 36.70A.362. As used herein the term "owners of real property" includes, but is not limited to, homeowners, condominium owners, owners of land which has not been built upon, and the trustees or beneficiaries of land held in trust. An owner of real property shall become a Voting Member by voting in the last annual election for Directors of the corporation or upon providing written notice to the Board of Directors of the corporation requesting to become a Voting Member, so long as said notice is tendered no less than 48 hours prior to any meeting at which the new Voting Member wishes to vote. A Voting Member may withdraw at any time by providing written notice to the Board of Directors or by a transfer or sale of all real property owned by the Voting Member within the MPR. There shall be no more than one Voting Member for each lot or parcel within the MPR.

VI. VOTING

Each Voting Member shall have one vote on all matters to come before the membership for vote. A husband and wife, partnership, joint tenants or others owning property in some form of common ownership shall have only one voting membership between or among them without regard for the number of parcels of real property he, she or it may own.

VII. ANNUAL DUES AND ASSESSMENTS

This corporation is intended to be funded by donations, gifts, user fees and other fund raising activities. The Board of Directors shall have the authority to accept donations and gifts, and to establish user fees and sponsor fund raising activities. Assessments may be established and levied on the Voting Members by a sixty percent (60%) majority approval of the Voting Members voting in person, by proxy or by mail-in ballot.

VIII. REGISTERED AGENT AND REGISTERED OFFICE

The name and address in the State of Washington of this corporation's current registered agent are as follows:

Richard B. Shattuck
4102 NW Anderson Hill Road
Silverdale, WA 98383

IX. DIRECTORS

The affairs of this corporation shall be managed by its Board of Directors. The Directors shall be elected by the Voting Members, except as otherwise set forth in this Article IX. The number of Directors to be elected by the Voting Members, and their term of office, shall be fixed by, or in the manner provided in, the Bylaws. In addition to the Directors to be elected by the Voting Members, the president of the Ludlow Maintenance Commission and the president of the South Bay Community Association, or their respective designees, shall be Directors. Neither Directors nor officers shall be paid for their services, but the corporation may pay or may reimburse Directors and officers for reasonable expenses incurred in the conduct of their duties. The Directors shall hold office and manage the affairs of the Corporation until the election and qualification of their respective successors.

X. BYLAWS

Provisions for the regulation of the internal affairs of the corporation shall be set forth in the Bylaws of the corporation.

XI. AMENDMENTS

These restated Articles of Incorporation may be further amended in accordance with the procedures set forth in the Washington Nonprofit Corporation Act, RCW ch. 24.03, as may be amended hereafter.

XII. INTEREST OF OFFICERS, DIRECTORS OR OTHERS IN TRANSACTIONS WITH THIS CORPORATION

Any officer, Director or employee ("Interested Person"), or any firm of which any Interested Person is a partner, or any corporation in which any Interested Person may be an

officer, director, employee or holder of any amount of its capital stock, may be a party to or may be interested in any contract or transaction of this corporation and, in the absence of actual fraud, no such contract or other transaction shall be thereby affected, impeached or invalidated. No Interested Person shall be liable to account to this corporation for any profit realized by him or her from or through any such transaction or contract, provided that such contract or transaction shall be approved or ratified by the affirmative vote of a majority of Directors who are not so interested and who are present and constitute a quorum for a meeting of the Board of Directors.

XIII. ELIMINATION OF DIRECTOR'S LIABILITY

A Director shall have no liability to the corporation or its Voting Members for monetary damages for conduct as a Director, except for (1) acts or omissions that involve intentional misconduct by the Director, (2) a knowing violation of law by the Director, or (3) any transaction from which the Director will personally receive a benefit in money, property or services to which the Director is not legally entitled. If any provision of Washington law, including but not limited to the Washington Nonprofit Corporation Act, is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director shall be eliminated or limited to the full extent permitted by law, without requiring any action by the Board of Directors or the Voting Members. To that end, the Director's liability shall then be limited to the greatest extent provided by these Articles of Incorporation and existing law or future modifications of law on the subject. Any repeal or modification of this Article shall not adversely affect any right or protection of a Director, existing at the time of such repeal or modification, for or with respect to any actor omission by such Director occurring prior to such repeal or modification.

XIV. INDEMNIFICATION

The Corporation shall indemnify its Directors against all liability, damage, or expense resulting from the fact that such person is or was a Director or from such person's acts or omissions as a Director, to the maximum extent and under all circumstances permitted by law, including advancement of expenses, except that the corporation shall not indemnify a Director against liability, damage or expense resulting from the Director's gross negligence, intentional misconduct or a knowing violation of law which causes damage to the corporation. The corporation shall have the power to purchase liability insurance to protect the Directors, Officers and/or employees of the corporation or members of any committee established by the Board of Directors.

XV. DISSOLUTION

The corporation may be dissolved by operation of law, or by a sixty percent (60%) majority vote of the Voting Members.

XVI. DISTRIBUTION OF ASSETS AT DISSOLUTION

Upon the winding up and dissolution of the corporation, after paying or adequately providing for the debts and obligations of the corporation and returning, transferring or conveying assets required by dissolution to be returned, transferred or conveyed, the remaining assets shall be distributed to a nonprofit fund, foundation or corporation according to Washington law.

DATED this 6th day of October, 2016.

PORT LUDLOW VILLAGE COUNCIL

By W. B. Dean
Bill Dean, its President