

**AMENDED ARTICLES OF INCORPORATION
OF
PORT LUDLOW VILLAGE COUNCIL
(A Washington Nonprofit corporation)**

Pursuant to the provisions of the Washington Nonprofit Corporation Act, RCW 24.03.183, the following Amended Articles of Incorporation of PORT LUDLOW VILLAGE COUNCIL, a Washington Nonprofit corporation (containing all of the operative provisions of the Articles of Incorporation, as heretofore amended) are submitted for filing:

I. NAME

The name of the Corporation shall be Port Ludlow Village Council.

II. DURATION

The duration of this Corporation shall be perpetual unless dissolved by operation of law or otherwise.

III. PURPOSES

The purposes for which this Corporation is formed are:

1. To do, as it determines to be in the its best interest, any or all of the following for the direct or indirect benefit of the Port Ludlow community. (A) 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) may obtain control of, and maintain and preserve wildlife preserves, trails, wilderness areas, open spaces and similar areas not owned by South Bay Community Association ("SBCA") or Ludlow Maintenance Commission (LMC) or other entities; (c) may engage in architectural control in areas not under the architectural control of SBCA, LMC or other entities; (d) may 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, subject to the limitations set forth in Article IV; (e) may 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; (f) may acquire, own and operate recreational and other facilities; (g) may sponsor and/or promote municipal corporations such as public utilities or port districts and/or charitable organizations qualified under sections 501(c)(3) of the Internal Revenue Code of 1954, as amended. In this context, determination of acts or omissions, which are of direct or indirect benefit to the community shall be at the sole discretion of th Board of Directors.

IV. POWERS

In furtherance of its purposes, this 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 following limitations: no part of the net earnings of this Corporation shall be distributed to nor inure to the benefit of its Voting Members, Directors, Officers or other private persons; provided, however, that this Corporation shall not be prohibited from paying reasonable compensation to its employees and/or independent contractors nor from paying reasonable consideration for goods and services.

Subject to and without limiting the generality of the foregoing, this 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 buy, own, sell, assign, mortgage or lease any interest in real estate and personal property and to construct, maintain and operate improvements thereon necessary or incident to the accomplishment of the purposes set forth in Article III hereof; provided, however, that this Corporation shall not obtain, title to, sell or lease real property unless approved by a sixty percent (60%) majority of the total registered Voting Members; either voting in person, by proxy or by mail-in ballot.

Notwithstanding the purposes stated in Article III and the broad general powers given this Corporation, 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, as it is intended that this corporation will seek qualification under that section, or Section 501(c)(4) of the Internal Revenue Code of 1954, as amended.

V. MEMBERSHIP/VOTING MEMBER

1. The Voting Members of this Corporation shall be derived from all owners of real property, within the Port Ludlow Master Planned Resort area as shown on the diagram, Exhibit A, attached hereto and by this reference made a part hereof. As used herein "owners of real property" includes condominium owners and includes owners of land which has not been built upon and owners of realty held in trust as trustee or as beneficiary of a trust.

2. An owner of real property shall become a permanent Voting Member by voting in an 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 Port Ludlow Master Planned Resort area.

VI. VOTING

1. 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.

2. Each owner of real property within the Master Planned Resort shall have voting privileges to elect directors to represent the entire community. A husband and wife, partnership, joint tenants or others owning property in some form of common ownership shall have only one vote between or among them for each Director position being voted upon without regard for the number of parcels of real property he, she or it may own.

VII. ANNUAL DUES AND ASSESSMENTS

1. 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, gifts, establish user fees and sponsor fund raising activities.

2. Assessments may be established and levied on the Voting Membership by a sixty percent (60%) majority approval of the total registered Voting Members; either 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 initial registered agent is:

Ted Knauss
203-A West Patison
Port Hadlock WA 98339

IX. DIRECTORS

1. The affairs of this Corporation shall be managed by the Board of Directors. The number of Directors shall be fixed by, or in the manner provided in, the Bylaws. Neither Directors nor officers shall be paid for their services, but the Corporation may pay reasonable expenses incurred by such Directors and/or officers in the conduct of their duties.

2. This corporation shall have twelve (12) Directors. The Voting Members owning property in the South Bay Community shall elect four (4) Directors and the Voting Members owning property in th North Bay Community shall elect six (6) Directors. The Directors shall hold office and manage the affairs of the Corporation until the election and qualification of

their respective successors. The present Directors are:

<u>Name</u>	<u>Address</u>
Don Clark	20 Heron Road, Port Ludlow, WA 98365
Tony Durham	172 Dog Leg Lane, Port Ludlow, WA 98365
Bert Loomis	113 Osprey Ridge Dr., Port Ludlow, WA 98365
Thomas McCay	40 Mariner Place, Port Ludlow, WA 98365
Larry Nobles	81 Harms Lane, Port Ludlow WA 98365
Allen Panasok	30 Rayburn Court, Port Ludlow, WA 98365
Bruce Pyles	50 Harms Lane, Port Ludlow, WA 98365
Bruce Schmitz	717 Ranier Lane, Port Ludlow, WA 98365
Thomas Stone	95 Red Cedar Lane, Port Ludlow, WA 98365
W. Ralph Stroy	73 Martingale Place, Port Ludlow, WA 98365
Elizabeth Van Zonnfeld	60 Admiralty Lane, Port Ludlow, WA 98365
Dwayne Wilcox	271 Montgomery Ln., Port Ludlow, WA 98365

3. In subsequent elections for Directors, Directors shall be elected as required so that the number of directors on the Board from each of the two communities, North Bay and South Bay, is proportionate to the respective number of property owners, rounded to the nearest whole number, owning real property in each of the two communities. The total number of elected Directors shall continue to be ten (10) until and unless changed by a vote of the Voting Membership.

X. INCORPORATORS

The names and addresses of this Corporation's original incorporators are:

Eugene O. Carmody	4 Phinney Lane, Port Ludlow, WA 98365
Robert D. Force	61-C N. Chandler Ct, Port Ludlow, WA 98365
David A. Graham	81 Montgomery Court, Port Ludlow, WA 98365
Carol Higley Saber	14 Sea Vista Terrace, Port Ludlow, WA 98365
Frank G. Siler	71 Harms Lane, Port Ludlow, WA 98365
Sally Smith	P.O. Box 1780, Port Ludlow, WA 98365
Richard R. Swindler	15 Condon Lane, Port Ludlow, WA 98365
Richard W. Ullmann	203 Puget Loop, Port Ludlow, WA 98365
Constance Wilkinson	114 Skiff Lane, Port Ludlow, WA 98365
Della M Witt	20 Gamble Lane, Port Ludlow, WA 98365

XI. BYLAWS

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

XII. AMENDMENTS

The Articles of Incorporation may be amended in accordance with the procedures set forth in the Washington Nonprofit Corporation Act, RCW 24.03.165, as may be amended.

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

Any officer, Director or employee ("Interested Persons"), 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 Directors who are not so interested constituting a majority of a quorum of Directors present at a meeting of the Board of Directors of the Corporation having authority in the premises.

Any Director interested in any contracts or transactions of the types described in the foregoing paragraphs may be counted when present at meetings of the Board of Directors or of any committee for the purpose of determining the existence of a quorum to consider and vote upon any such contract or transaction.

XIV. 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) for 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 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 the Washington Nonprofit Corporation Act, as so amended, 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 act or omission by such Director occurring prior to such repeal or modification.

XV. 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, 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. This Corporation shall have the power to purchase liability insurance to protect the Directors, Officers and/or employees of this Corporation.

XVI. DISSOLUTION

This corporation may be dissolved by operation of law, or a sixty percent (60%) majority approval of the total registered Voting Members.

XVII. DISTRIBUTION OF ASSETS AT DISSOLUTION

Upon the winding up and dissolution of this Corporation, after paying or adequately providing for the debts and obligations of the organization 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.

These Restated Articles of Incorporation correctly set forth without change the provisions of the Articles of Incorporation as heretofore amended. These Restated Articles of Incorporation supersede the original Articles of Incorporation and all amendments thereto.

DATED this 1st day of November, 2005.

Elizabeth Van Zonneveld
(Officer's Signature)

Elizabeth Van Zonneveld
(Printed Name)

President
(Title)



**STATE OF WASHINGTON
SECRETARY OF STATE**

**ARTICLES OF AMENDMENT
WASHINGTON
NONPROFIT CORPORATION**

(Per Chapter 24.03 RCW)

FEE: \$20

- Please PRINT or TYPE in black ink
- Sign, date and return original AND ONE COPY to:

CORPORATIONS DIVISION
801 CAPITOL WAY SOUTH • PO BOX 3023
OLYMPIA, WA 98504-0234

FILED
SECRETARY OF STATE
SAM REED

EXPEDITED (24-HOUR) SERVICE AVAILABLE - \$20 PER ENTITY
INCLUDE FEE AND WRITE "EXPEDITE" IN BOLD LETTERS
ON OUTSIDE OF ENVELOPE

- BE SURE TO INCLUDE FILING FEE. Checks should be made payable to "Secretary of State"

FOR OFFICE USE ONLY

FILED: 1 1

STATE OF WASHINGTON

IMPORTANT! Person to contact about this filing

ELIZABETH VAN ZONNEVELD

Daytime Phone Number (with area code)

1-360-437-5118

AMENDMENT TO ARTICLES OF INCORPORATION

NAME OF CORPORATION (As currently recorded with the Office of the Secretary of State)

BLUDLOW VILLAGE COUNCIL, INC A WASHINGTON NON-PROFIT CORP INC

UBI NUMBER

CORPORATION NUMBER (if known)

AMENDMENTS TO ARTICLES OF INCORPORATION WERE ADOPTED ON

601-961 503

Date: *1 NOVEMBER 2005*

EFFECTIVE DATE OF ARTICLES OF AMENDMENT

(Specified effective date may be up to 30 days AFTER receipt of the document by the Secretary of State)

Specific Date: _____

Upon filing by the Secretary of State

ADOPTION OF THE ARTICLES OF AMENDMENT (Please check ONE of the following)

The amendment was adopted by a meeting of members held on (specify date): *OCT 6, 2005*. A quorum was present at the meeting and the amendment received at least two-thirds of the votes which members present or represented by proxy were entitled to cast.

The amendment was adopted by a consent in writing and signed by all members entitled to vote.

There are no members that have voting rights. The amendment received a majority vote of the directors at a board meeting held on (specify date): _____.

AMENDMENTS TO THE ARTICLES OF INCORPORATION ARE AS FOLLOWS

If necessary, attach additional amendments or information.

ARTICLE V PARAGRAPH 1 AMENDED TO INCLUDE OWNERS OF REALTY HELD IN TRUST AS TRUSTEE OR AS BENEFICIARY.

SIGNATURE OF OFFICER

This document is hereby executed under penalties of perjury, and is, to the best of my knowledge, true and correct.

[Signature]

DORINE WILCOX PRES

1/24/06

Signature of Officer

Printed Name

Date

INFORMATION AND ASSISTANCE - 360/753-7115 (TDD - 360/753-1485)

01/26/2006 774427
\$20.00 Check #107
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Doc No: 774427-001

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