

BYLAWS OF
PORT LUDLOW VILLAGE COUNCIL, INCL.
A Washington Non-profit Corporation

ARTICLE I

Bylaws and Governing Rules

Section 1. Purpose

These Bylaws are promulgated pursuant to Section XI of the Articles of Incorporation of Port Ludlow Village Council filed September 20, 1999...(hereinafter "PLVC") and supercede any prior Bylaws or other rules previously in force.

Section 2. Procedures

The rules contained in *Robert's Rules of Order Newly Revised, In Brief*; copyright 2004, DaCapo Press, or *Robert's Rules of Order Newly Revised, 10th Edition* may be used in any instance as guiding principles to any actions of the PLVC in which they may be applicable and are not inconsistent with these Bylaws or Restated Articles of Incorporation.

ARTICLE II

MEMBERSHIP

Section 1. Voting Membership

The Voting Membership of PLVC is as set forth in the restated Articles of Incorporation.

ARTICLE III

MEETINGS OF MEMBERS

SECTION 1. PLACE OF MEETING

Membership meetings may be held at such place as may be designated in the notice of the meeting within Port Ludlow and, if no suitable location is available, then within Jefferson County. All meetings shall be open to the public and all business transacted shall become part of the public record.

SECTION 2. ANNUAL MEETINGS

Each year there shall be an Annual Meeting of the Voting Members held in Port Ludlow. Written notice of such meeting shall be sent thirty (30) days in advance and shall designate the issues to be addressed.

SECTION 3. SPECIAL MEETINGS

Special meetings of Voting Members may be called by the Board of Directors on fourteen (14) days prior written notice, by mail.

SECTION 4. NOTICE OF MEETINGS

A written notice stating the time and place of the annual meeting or any special meeting of the Voting Members shall be delivered personally or mailed, postage prepaid, to each Voting Member at his or her address as the same appears in the records of the PLVC, or if no address appears, at the Voting Member's last known place of residence or business, at least ten (10) days and not more than fifty (50) days prior to the meeting. A notice of any special meeting of Voting

Members shall also state the purpose of such meeting. No action except of an advisory nature shall be taken at a special meeting except as stated in such notice. Notice of all meetings shall be given to the holder of any proxy filed with PLVC in the same manner as if such proxy holder were a Voting Member.

Notice of regular meetings, other than the annual meeting, shall be made by providing each Voting Member with the adopted schedule of regular meetings for the ensuing year at any time after the annual meeting and ten (10) days prior to the next succeeding regular meeting and at any time when requested by a Voting Member, or by such other notice as may be adopted from time to time by the Board of Directors and approved by the Voting Members.

SECTION 5. QUORUM

Quorum requirements for the Annual or Special Meetings of the Voting Members shall consist of thirty per cent (30%) of the eligible Voting Members including those present, voting by mail or fax, and by proxy.

SECTION 6. VOTING RIGHTS

In matters put to a vote at any meeting of the Voting Members, the Voting Members have the voting rights specified in the Articles of Incorporation.

- Where provided, Voting Members may vote by written ballot returned by mail, fax or proxy.
- Where no authorized ballot is provided, Voting Members may vote in person or by proxy.
- Proxies must be in writing and delivered to the Director of Elections before the election. They must state the following:
 1. PLVC at the top of the page.
 2. The name of the individual who is entitled to vote the proxy.
 3. The name of the individual giving the proxy and their signature and the date of signature.

SECTION 7. PROXIES

Every Voting Member may authorize another Voting Member to act by proxy with respect to such voting rights. The Voting Member granting the proxy may revoke a proxy at any time. All proxies shall be in writing signed by the Voting Member granting the proxy and filed with the Secretary of PLVC.

SECTION 8. ADJOURNMENT

An annual or special meeting of Voting Members may be adjourned from day to day or to a designated date and time by majority vote of the Voting Members present. No notice of adjournment need be given to absent Voting Members.

ARTICLE IV

DIRECTORS

There shall be ten (10) Directors of PLVC who shall be elected from the Voting Membership. North Bay and South Bay shall each be allocated a number of Directors in proportion to the number of eligible Voting Members in North Bay compared to South Bay. In addition, the presidents of Ludlow Maintenance Commission and the South Bay Community Association, or their designees, shall be directors of PLVC during the term of their presidency.

SECTION 1. POWERS AND DUTIES

The business and affairs of PLVC shall be managed and conducted by the Board of Directors and officers. Each director may, without regard to elected position, exercise one vote on any issue before the PLVC.

SECTION 2. ELECTION AND TENURE

At each Annual Meeting of Voting Members, five (5) Directors shall be elected to hold office for two years. The remainder of a term resulting from a vacancy shall be filled by appointment, by the board of Directors, of an individual to serve until the next annual election.

SECTION 3. FIDUCIARY DUTIES

Each Director owes a fiduciary duty to this Corporation and to its Voting Members, but in cases where there is a conflict of interest between the interests of a Voting Member whose constituency elected the Director and other Voting Members then, in that case, a Director shall have the right, notwithstanding such fiduciary duty, to vote in a manner consistent with the interest of the Voting Members who elected the Director. Directors with a conflict of interest shall have an obligation to disclose such conflict to the Board of Directors prior to voting.

ARTICLE V

MEETINGS OF DIRECTORS

SECTION 1. PLACE OF MEETINGS

Meetings of the Directors may be held at any place within Port Ludlow and if no suitable place is available in Port Ludlow, then in Jefferson County.

SECTION 2. ANNUAL MEETINGS

The annual meeting of Directors, during which they shall elect officers, shall follow the annual meeting of the membership at which Directors are elected.

SECTION 3. REGULAR MEETINGS

The Board of Directors shall meet regularly - generally monthly - in Port Ludlow. Notice shall be given at the preceding regular meeting. All Voting Members may attend.

SECTION 4. SPECIAL MEETINGS

The President or four (4) members of the Board of Directors may call special meetings of the Board of Directors on forty-eight (48) hours' verbal notice. All Voting Members may attend.

SECTION 5. EXECUTIVE SESSION

The Board of Directors may meet without the presence of Voting Members to receive and discuss matters of a confidential nature such as advice of an Attorney or decisions involving litigation.

SECTION 6. ACTION BY CONSENT WITHOUT MEETING

In special circumstances action which may be taken at any meeting of the Board of Directors may be taken without a formal meeting, provided reasonable effort to contact all members of the Board of Directors has been made, the matter is discussed in person or by telephone or e-mail and written consent to the action taken is thereafter signed by a majority of the Board of Directors.

SECTION 7. QUORUM

Seven (7) members of the Board of Directors shall be a quorum at any meeting of the Board of Directors. Every action taken or decision made by a majority of the Voting Directors present at a

meeting, notice of which was given in accordance with these Bylaws and at which a quorum is present, is a binding act or decision of the Board of Directors.

SECTION 8. USE OF COMMUNICATIONS EQUIPMENT

Meetings of the Board of Directors may be convened by conference telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another. Each person elected to the Board of Directors hereby agrees that any such meeting may be recorded, with or without specific notice of recording having been given.

SECTION 9. ADJOURNMENT

A majority of the Board of Directors present, whether or not constituting a quorum, may adjourn any meeting of the Board to another time and place.

ARTICLE VI

OFFICERS

SECTION 1. OFFICERS

The officers of PLVC shall be President, Vice President, Secretary and Treasurer, and such other officers as may be appointed by the Board of Directors. One person may hold more than one office, provided that one person may not hold the combined offices of President and Secretary.

SECTION 2. ELECTION AND TERM OF OFFICE

Following each election, the Board of Directors shall elect officers for the following year. Any subsequent vacancy shall be filled by election by the remaining Directors.

SECTION 3. REMOVAL

Any officer may be removed by a vote of 75% of the Board of Directors present at any regular or special meeting of the Board, whether or not such person has an employment contract with this Corporation

SECTION 4. VACANCIES

A vacancy in any office because of death, resignation, removal, disqualification or any other cause may be filled by the Board of Directors at a special meeting in the manner prescribed in these Bylaws for regular elections to such office.

SECTION 5. Duties of Officers

President - The President shall preside at all meetings; shall appoint chairs for each standing and ad hoc committee, and instruct those chairs to select members from the community and bring those names to the Board of Directors for ratification; shall be a nonvoting ex officio member of each committee, and, with the consent of a majority of the Board of Directors shall represent PLVC to other persons and entities and shall have such other powers as shall be given by the Board of Directors.

Vice President - In the event the President is unable to act, the Vice President shall have all the powers of the President.

Secretary - The Secretary shall keep minutes at each meeting of the Voting Members and at each regular and special meeting of the Board of Directors and shall maintain same for inspection, on reasonable notice, by any Voting Member.

Treasurer - The Treasurer shall keep and maintain, correct accounts of the properties and business transaction of PLVC including accounts of its liabilities, receipts, disbursements, losses and capital. The books of account shall, on reasonable notice, be open to inspection by any Voting Member. The Treasurer shall deposit all moneys and other valuables to the credit of PLVC with such depositors, or in such investments guaranteed by the full faith and credit of the United States, as may be designated by the Board of Directors. The Treasurer shall pay obligations as directed by the Board of Directors. The Treasurer shall render financial statements at each annual meeting. The financial statements shall be reviewed by a Certified Public Accountant if so directed by the Board of Directors. The Treasurer shall provide the Board of Directors with monthly statements of income, disbursements, and a statement of the balances in PLVC accounts. The Board of Directors may, if it elects, cause the annual statements to be audited by a Certified Public Accountant.

Section 6. Miscellaneous Offices

Director of Elections - The Director of Elections shall keep a list of all names, addresses, phone numbers and e-mail addresses of property owners in North Bay and South Bay as well as a register of Voting Members and, at least thirty (30) days before each Annual Meeting send by regular mail, a ballot listing all individuals running for the office of Director along with notice of the Annual Meeting and meeting agenda. The lists shall be kept current in the event notices of special meetings or other notification needs to be made.

Recording Secretary - The Recording Secretary shall work with the Secretary to record and preserve all minutes, motions, and solutions of the Council during scheduled or called meetings, but shall have no further duties unless by agreement with the Council.

Section 7. Limitations of Miscellaneous Officer Holders

The offices of Director of Elections, and Recording Secretary shall have no vote and shall serve at the pleasure of the Board of Directors.

ARTICLE VII

Committees

Section 1. Types

Standing, special (ad hoc), action and investigative committees may be appointed.

Section 2. Membership

Directors and Voting Members who are not Directors may be members and chairpersons. However, each committee shall contain one member who is a director of PLVC.

Section 3. Duration of Membership

Each member of each committee shall serve during the tenure of the President who made the appointment. Members may be re-appointed by the succeeding Presidents except that no individual may serve longer than three (3) years without the consent of two-thirds (67%) of the Board of Directors.

Section 4. Power

Each committee shall report its progress at each regular meeting of the Board of Directors. No committee shall have the power to incur debt, speak for, bind, represent, or take action on behalf

of PLVC or its Board of Directors except on prior explicit written consent by majority vote of the Board of Directors.

ARTICLE VIII

DUES, ASSESSMENTS AND USER FEES

SECTION 1. ASSESSMENTS

Dues may be assessed to Voting Members only as provided in the Articles of Incorporation.

SECTION 2. USER FEES

The Board of Directors may impose user fees upon those persons, whether or not Members, who make use of PLVC facilities, goods or services.

SECTION 3. USER FEES AND ASSESSMENTS

User fees and assessments shall have a rational relationship to the goods, services or use made by the person(s) to whom the fees or assessments are charged.

ARTICLE IX

AMENDMENTS

SECTION 1. ADOPTION

The Bylaws may be amended at the Annual Meeting or a Special Meeting of the Voting Members by a vote of sixty (60) percent of the Voting Members who vote in person or by Proxy. Any proposed amendments shall be published by mail, e-mail or community publications fifteen (15) days prior to such election.

CERTIFICATE OF SECRETARY

I certify that the foregoing Bylaws of Port Ludlow Village Council, Inc., a Washington nonprofit corporation, were duly adopted by the Voting Members of Corporation effective October 6, 2005 - _____