

LUDLOW MAINTENANCE COMMISSION, INC.
PORT LUDLOW NO. 1

ARTICLES OF INCORPORATION

of

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.:

Sections 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, Washington 98101

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 apply to the end that each member shall have that number of votes which is the number of trustees' vacancies to be filled, and may cast such number of votes for any one nominee, or divided among two or more nominees, as such voting member may determine.

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(b) In any matter pertaining to amendment of these articles or liquidation or dissolution of this corporation, or the sale or disposition of principal assets of the corporation, or the imposition of restrictions on the availability of corporate properties or facilities to members of the corporation, no such action shall be taken except on two-thirds affirmative vote of all participating lot-owner-members and two-thirds affirmative vote of all participating condominium unit-owner-members.

ARTICLE V

The authorized number for membership, the qualifications necessary for membership in this corporation, 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 By-Laws of this corporation. A certificate of membership may be issued to each member which, however, shall not be transferable except as provided in the By-Laws of the corporation.

The authority to formulate the initial By-Laws for this corporation is hereby vested in the members of the corporation. Said By-Laws shall be adopted by a meeting of its members duly called, and may thereafter be amended or repealed only to the extent and by the methods provided for in the By-Laws.

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 includes platted property designated as "reserve" and excludes for purposes of these articles the common properties and common facilities of condominium project 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

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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 to 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 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 By-Laws 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, Wash.
Robert E. Baird	15951 N. E. 1st, Bellevue, Washington
Alan Hoelting	9421 Lake Washington Blvd. N. E., 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 By-Laws. 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.

IN WITNESS WHEREOF, the incorporators have hereunto set their hands and seals this 9th day of May, 1968.

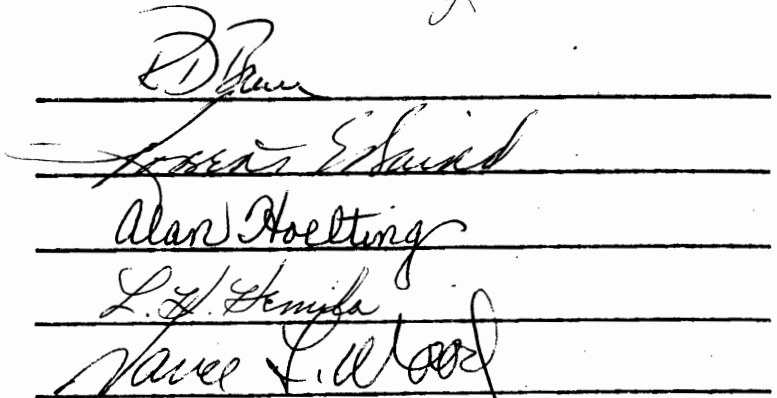
R. D. Bruce

Robert E. Baird

Alan Hoelting

L. H. Hemila

Vance L. Wood



BY-LAWS

of

LUDLOW MAINTENANCE COMMISSION, INC.

ARTICLE I

MEMBERSHIP

SECTION 1. The membership of the corporation shall consist (in addition to the original incorporators, said incorporators being authorized to resign their membership) exclusively 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 be recorded by which membership in this corporation is afforded lot owners and condominium unit owners in such platted areas and condominium projects. A purchaser under a contract of purchase shall be deemed an owner for membership purposes, and the term "owner" as used in these By-Laws shall include a contract purchaser or assignees and holders of record of the vendee's interest under any such contract. Membership shall be inseparably appurtenant to the lots and condominium units, tracts and ownership in the above described plat and plats contemplated thereby, and upon transfer of ownership by deed, court decree or otherwise, or upon the making of a contract of sale, membership shall be automatically transferred with the lot or condominium unit to the new owner or purchaser. No membership may be transferred in any other way. The term "owner" shall include any party otherwise qualified as an owner hereunder, and irrespective of whether such party be natural person, corporation, partnership, association or other form of entity, provided that as to each such entity and ownership there shall be but one membership.

SECTION 2. No member of the corporation shall have any right, title or interest in or to the whole or any part of the property or assets of the corporation, and no member shall be entitled to either the whole or any part thereof in the event of the termination of his membership in the corporation.

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. Unless the Board of Trustees decides otherwise no certificates of membership need be issued. A new owner or purchaser shall become entitled to vote after establishing his ownership or contract interest to the satisfaction of the secretary. The personal representative of a deceased member shall have all that member's rights, privileges and duties.

SECTION 4. No member may withdraw from the corporation except upon transfer of the lot or lots or condominium unit or units to which his membership is appurtenant. No compensation shall be paid by the corporation upon the transfer of membership and no member whose membership is transferred shall thereafter be entitled to share or participate in any of the property, facilities or benefits provided by the corporation except to the extent of continued membership by reason of ownership of another lot or lots or condominium unit or units.

SECTION 5. The Board of Trustees, or any officer designated by it, may, in accordance with procedures prescribed by the Board, exclude any member from the use or enjoyment of the facilities and benefits of the corporation for delinquency in payments required of members or for failure to comply with the Articles of Incorporation or By-Laws of this corporation, or with the rules and regulations established by the Board.

ARTICLE II

MEETINGS OF MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the members of the corporation shall be held on the third Wednesday in April of each year, if not a legal holiday, and if a legal holiday, on the next succeeding business day, at ten (10:00) o'clock A.M. Such annual meeting will be held at the registered offices of the corporation at Seattle, Washington or at such other place as may be designated by the Board of Trustees. For the convenience of the membership, the Board of Trustees may designate a different date for the convening of the annual meeting. If the meeting is to be held at any place other than the corporate offices in Seattle, Washington or at any different time than 10:00 o'clock A.M. on the third Wednesday of April, at least seven (7) days' written notice of the time and place of such meeting shall be given to all members.

SECTION 2. Special Meetings. Special meetings of the members may be called by the President or the Secretary or any two members of the Board of Trustees, or by owners of twenty-five (25%) per cent of the lots and condominium units which are served by the corporation.

SECTION 3. Notice of Meetings. No notice of the regular annual meeting of members need be given, except as provided in Section 1 of this article. Notice of special meetings of the members of the corporation stating the place, date and hour of the meeting, and the general purpose or purposes thereof, shall be mailed by the Secretary to each member entitled to vote, at least seven (7) days prior to the date of the special meeting. If mailed, the notice of the meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.

Notice of any meeting of the members may be waived in writing by any member at any time, either before or after the meeting; and attendance at the meeting in person or by proxy shall constitute a waiver of notice of the meeting by the member or members so attending.

SECTION 4. Quorum. At any meeting of the members of the corporation a quorum shall consist of the lesser of the following number:

(a) A combination of a majority of the members who are owners of lots served by the corporation and a majority of the owners of condominium units which are served by the corporation; or

(b) Members who are owners of more than fifty per cent (50%) of the combined number of lots and condominium units which are to be served by the corporation.

If a meeting be recessed to a later date upon further written notice of at least seven days to the members, a quorum shall be deemed to be present at such reconvened meeting provided that at least one-half the number are there present who would regularly constitute a quorum. Attendance at and participation in meetings may be in person or by proxy.

In any membership action to be taken upon proceedings for amendment of the Articles of Incorporation or these By-Laws or for liquidation or dissolution of the corporation or the sale or disposition of the principal assets of the corporation or the imposition of restrictions on the availability of corporate properties or facilities to members or for the imposition of a capital assessment upon the members, an affirmative vote in favor of such action shall require not only a two-thirds affirmative vote of the participating lot-owner-members and a two-thirds affirmative vote of all participating condominium unit-owner-members, but shall also require the affirmative vote of members owning at least fifty per cent (50%) of the combined number of lots and condominium units as served or contemplated to be served hereunder.

ARTICLE III

BOARD OF TRUSTEES

SECTION 1. General Powers. The affairs of the corporation in the organization and commencement of business shall be managed by a Board of Trustees which shall be composed of three members (or nominees of members) of the corporation; provided, however, that upon the completion of initial sale of at least fifty lots in the area to be served by the corporation and twenty condominium units within condominium projects to be served by the corporation, the number of the members of the Board of Trustees shall be increased to five; and upon the completion of the initial sale of

at least one hundred lots in the area served by the corporation and at least forty condominium units in condominium projects served by the corporation, the number of members of the Board of Trustees shall be increased to seven.

SECTION 2. Tenure, Qualification and Methods of Election. The Board of Trustees shall be elected from those individuals who either are members of the corporation, or who have a financial interest in a member of the corporation by virtue of being a stockholder or partner in a member, or who are nominated by such member. To the extent that membership on the Board of Trustees is allocated between lot owners and condominium unit owners under the Articles of Incorporation of this corporation, Trustees shall be separately nominated and elected by such respective groups.

The election of Trustees shall be held at each annual meeting of the members of the corporation, and the Trustees shall hold office until the next annual members' meeting and until their respective successors are elected and qualified. In the event of failure to hold an election of Trustees at any annual members' meeting, or in the event of failure to hold any annual members' meeting as provided for by these By-Laws, election of the Trustees may be held at a special meeting of the members called for that purpose.

SECTION 3. Vacancies. Except as otherwise provided by law, vacancies in the Board of Trustees, whether caused by resignation, death, qualification of additional members of the corporation, or otherwise, shall be filled by a vote of a majority of the members of the corporation at a special meeting of the members to be called for this purpose, provided that notice shall be given to all of the members that such vacancy will be filled at such special meeting. A trustee thus elected to fill any vacancy shall hold office for the unexpired term of his predecessor, and until his successor is elected and qualified. Nomination and election of successor trustees as aforesaid shall be by the respective group of lot-owner-members or condominium unit-owner-members as appropriate to retain the representation as allocated under the Articles of Incorporation.

SECTION 4. Regular Meetings. A regular annual meeting of the Board of Trustees shall be held without other notice than this by-law, immediately after and at the same place as the annual meeting of members.

SECTION 5. Special Meetings. Special meetings of the Board of Trustees may be called by or at the request of the President or the Secretary or by any two Trustees. Notice of any special meeting of the Board of Trustees shall be given at least four (4) days prior to the meeting by written notice delivered personally or sent by mail or telegram to each Trustee at his address as shown by the records of the corporation, which notice shall include the general purpose or purposes of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed

envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Trustee may waive notice of any meeting, either before or after the holding of the said meeting. The attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting.

SECTION 6. Quorum. A majority of the Board of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board.

SECTION 7. Removal of Trustees. The entire Board of Trustees or any individual Trustee, at a special meeting of the members called for that purpose, may be removed from office by a vote of the majority of the members who, as to each such Trustee, is entitled to vote for Trustee election. If the Board or any one or more Trustees is so removed, new Trustees may be elected at the same meeting. Unless the entire Board is removed, no individual Trustee shall be removed in case the votes of a sufficient number of lot-owner-members or condominium unit-owner-members, as the case may be, are cast against the resolution for his removal, which, if cumulatively voted at an election of the full Board, would be sufficient to elect one or more Trustees.

SECTION 8. Power and Authority of the Board of Trustees. The Board of Trustees shall have full power and authority to:

- (a) Appoint and remove, at its discretion, all officers, agents and employees of the corporation, and to prescribe their duties and fix their compensation;
- (b) Make such expenditures as the Board deems expedient; provided, however, that the members of the corporation, by resolution adopted by a two-thirds vote at any meeting of members, may restrict the amount of expenditures which can be made by the Board without prior approval of the members;
- (c) Establish and collect dues and assessments to be paid by the members of the corporation; determine and enforce assessments and charges for operations and maintenance, including appropriate reserves. Power to assess for capital contributions is reserved to the membership. Current assessments shall not be established at an annual rate in excess of \$96.00 per lot or per condominium unit, except by vote of the membership.
- (d) Manage and conduct the affairs and business of the corporation and generally do and perform or cause to be done and performed any and every act which the corporation may lawfully do and perform; provided, however, that the Board of Trustees shall not have power to borrow money on behalf of the corporation unless authorized by a majority vote of the members of the corporation at a meeting of the members called for that purpose;

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- (e) To acquire by conveyance, contract, lease or otherwise, property and rights of occupancy of property for the common benefit of the property of the members of the corporation; to improve said property by the erection of structures, utilities and facilities; to rent the same to members of the corporation or to organizations of members of the corporation, all upon such terms and subject to such rules and regulations as the Trustees may determine;
- (f) In the name of the corporation to enforce and foreclose the lien of assessments of the corporation as may be necessary for the collection thereof; to designate representatives to serve as Architectural Control Committee for the property of the members hereof and to enforce the provisions of restrictive covenants and declarations pertaining to the lands served by this corporation, by the institution of litigation or otherwise;
- (g) To establish a budget of assessments and expenditures of the corporation and to authorize the expenditure of funds for corporate purposes, including construction and maintenance of improvements, provision of services, payment of taxes upon common property, and accumulation of necessary or appropriate reserves;
- (h) Procure and maintain such forms of insurance as the Board may deem appropriate as to risks pertaining to the corporation or to the obligations or interests of its members;
- (i) The Board of Trustees shall not make political or charitable donations of the corporation funds or property;
- (j) To adopt and cause to be enforced rules, regulations and restrictions upon the use of the corporation's properties and facilities, including but not limited to hours of use, control of noise, enforcement of safety precautions and otherwise; to establish and apply reasonable conditions (including fees and the imposition and collection of rental and use charges for commission facilities) for the extension of guest privileges to non-member guests, including tenant occupants of lots or condominium units. The Board of Trustees is not authorized to adopt or enforce discriminatory rules or regulations or restrictions as between lot-owner-members and condominium unit-owner-members.
- (k) The Board of Trustees may appoint a business manager who may exercise the authority of the

Board of Trustees between formal meetings of the Board, provided that all such authority so exercised shall be reported to the next meeting of the Board and submitted for approval by the Board; failing such approval, such actions of the business manager shall not be effective after the meeting of the Board of Trustees at which considered except to the extent that formal continuing undertakings may have been made on behalf of the corporation.

- (1) Except as otherwise limited hereby, the Board of Trustees shall have power and may exercise the rights and duties customarily devolving upon a corporate board of trustees for any and all purposes not inconsistent with the purposes and powers of the corporation pursuant to its Articles and these By-Laws.

ARTICLE IV

OFFICERS

SECTION 1. At the first meeting of the Board of Trustees after each annual meeting of the members, the Board of Trustees shall elect a president, vice president, secretary and treasurer. Officers of the corporation so elected shall hold office for a term of one year or until their successors are qualified. Any officer may be suspended or removed by a majority vote of all of the Trustees.

SECTION 2. No Trustee or officer (except as such Trustee or officer may also be designated as business manager by the Trustees) shall receive any salary or compensation from the corporation, but may receive reimbursement of out-of-pocket expenses incurred in performance of duties for the corporation.

SECTION 3. President. The president shall preside at all meetings of the Trustees and members and shall have and exercise under the direction of the Board of Trustees, the general supervision of the affairs of the corporation.

SECTION 4. Vice President. The vice president shall preside at meetings in the absence of the president and in case of the absence or disability of the president shall perform all other duties of the president.

SECTION 5. Secretary. The secretary shall issue notices of meetings and keep the minutes of meetings. He shall keep a record of the names and addresses of the members and shall have charge of the other necessary records and papers of the corporation. He shall be custodian of the corporate seal and impress papers with the seal where required.

SECTION 6. Treasurer. The treasurer shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and business transactions of the

corporation. The books of account shall at all times be open to inspection by any members. The treasurer shall keep safely all moneys and securities of the corporation and disburse the same under the direction of the Board of Trustees. He shall cause the funds of the corporation to be deposited in a bank selected by the Trustees. At each annual meeting of the members, and at any time directed by the Trustees, he shall issue and present a full statement showing in detail the condition of the affairs of the corporation.

SECTION 7. Any officer may occupy two offices concurrently if the Board of Trustees so directs.

ARTICLE V

FISCAL YEAR

The fiscal year of the corporation shall be the calendar year.

ARTICLE VI

SEAL

The Board of Trustees shall provide a corporate seal, which shall be in the following form:

ARTICLE VII

ASSESSMENTS AND CHARGES

SECTION 1. Assessments may from time to time be assessed by the corporation against its members for the corporate purposes as set forth in the Articles of Incorporation and herein. The assessments shall be levied at a uniform rate as to all lots and condominium units to which membership in this corporation is appurtenant, without preference of any kind (excepting only special services undertaken for limited areas at the request of the owners thereof on a reimbursement basis; and excepting further such reasonable differential as may be determined by the Board of Trustees as between the benefits afforded to improved and unimproved property respectively). Proceeds of such assessments shall be expended exclusively for the purposes set forth in the Articles of Incorporation and herein. Payment and maintenance of an advance deposit of three months' assessments shall be required, so as to assure availability of funds for common expenses. The subjection of lots and

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condominium units to assessment hereunder, and to lien thereof, shall first arise as to each lot or condominium unit when the same is first sold by deed or real estate contract by or for Pope & Talbot, Inc. or Pope & Talbot Properties, Inc. to a grantee or contract purchaser thereof (excluding transfers, if any, from Pope & Talbot, Inc. to Pope & Talbot Properties, Inc.); such deferral not however limiting the membership right and vote of the developer-owner prior to such sale.

SECTION 2. Payment of each assessment and charge shall be due within thirty (30) days after notice of assessment and shall thereafter bear interest at the rate of 10% per annum until paid. The assessment or charge, together with all expenses, attorneys' fees and costs reasonably incurred in enforcing the same, shall be a personal obligation of the member assessed, enforceable by the corporation in a court action. The assessments, charges, attorneys' fees, and costs shall also constitute a lien against the lot or condominium unit owned by the member and which is so assessed or charged and the lien shall be enforceable by foreclosure proceedings in the manner provided by law for foreclosure of real property mortgage liens. The lien hereof shall not affect third parties except as of and to the extent that a notice of claim of lien be placed of record in the office of the Jefferson County Auditor. Such liens shall be superior to any and all other liens except liens of record prior to the date of assessment of the lien and except general taxes.

ARTICLE VIII

AMENDMENT OF BY-LAWS

These By-Laws may be amended, altered or repealed by a majority vote of the members present at any regular or special meeting of the members if notice of the proposed alteration or amendment is contained in the notice of the meeting; provided, however, that no such amendment shall reduce the requirements for an approving vote of specific matters as set out in Article II, Section 4 of these By-Laws unless the vote approving such amendment shall itself comply with such requirement; nor shall these By-Laws be amended so as to create any discriminatory provision as to the rights and duties of members herein as between lot-owner-members and condominium unit-owner-members; nor shall these By-Laws be so modified as to permit assessment, charge or lien against members or property owned by them for any purpose other than as herein provided, excepting only as such members, each for himself, may consent thereto in writing.

ARTICLE IX

DISSOLUTION

In the event of the dissolution of the corporation, each person who is then a member shall, for each lot or condominium unit then owned by him, receive his pro rata share of the assets after all its debts have been paid and after suitable dedication to the public has been effected as to common property essential or appropriate as appurtenances to the lots and condominium units subject hereto.

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CERTIFICATE OF ADOPTION

The undersigned, being all of the incorporators and members of LUDLOW MAINTENANCE COMMISSION, INC., hereby certify that the foregoing are the By-Laws of said corporation as regularly adopted on the 14th day of May, 1968.

R. D. Bruce

R. D. Bruce

Robert E. Baird

Robert E. Baird

Alan Hoelting

Alan Hoelting

L. H. Hemila

L. H. Hemila

Vance L. Wood

Vance L. Wood

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DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS AND SUBJECTION TO ASSESSMENT AND UTILITY LIENSJ. TEMPLE, Jefferson County Auditor
By *J. Temple* Deputy
Recorded *J. Temple* Indexed *J. Temple* Proof Read *J. Temple*

POPE & TALBOT DEVELOPMENT, INC. (herein "Grantor"), a Washington corporation with offices at Seattle, King County, Washington, is the owner of the property in Jefferson County, Washington, described in Exhibit A hereto annexed and by this reference incorporated herein as though set forth in full. Contemporaneously herewith, Grantor is causing to be filed in the office of the Auditor of Jefferson County, Washington, a plat entitled "Port Ludlow No. 1" covering a portion of the land described in Exhibit A. This declaration applies to said plat of Port Ludlow No. 1 and the lands within such plat are fully subject hereto, the terms hereof running with the land. Grantor expects that from time to time it or its successors or assigns may plat further portions of the property described in Exhibit A and, if such later plats recite that they are subject hereto, the lands within such plats shall be so subject, the terms hereof running with the lands as so subjected. Now therefore Grantor hereby declares and certifies restrictions upon the land subject hereto as follows:

1. Membership in Maintenance Commission: The owner of each lot in platted land now or hereafter subject hereto shall, by such ownership, be a member of LUDLOW MAINTENANCE COMMISSION, INC. (herein "Maintenance Commission"), a non-profit corporation formed under the laws of the State of Washington, and shall continue a member thereof while an owner, subject to the Articles and By-Laws of said corporation; "owner" for purposes hereof is the person (or if more than one, then collectively) entitled by deed or real estate contract to the occupancy of a lot or lots in the platted land subject hereto.

2. Assessments and Lien: The Maintenance Commission is empowered to establish assessments upon lots in platted land subject hereto for the common benefit of such lots as to utilities, roadways, property protection, drainage, landscaping, insurance, improvement and payment of taxes upon common property and the holding of ownership or leasehold therein, or otherwise for common purposes, all as determined pursuant to the Articles and By-Laws of the Maintenance Commission. Such assessments shall constitute a lien upon each such lot as of the due date thereof, and such lien may be foreclosed by the Maintenance Commission in the same form and manner of procedure as the foreclosure of a real property mortgage lien under the laws of the State of Washington, each owner, and each party hereafter owning or claiming an interest in one or more lots within the platted land subject hereto, agreeing and recognizing that expenses of title examination and assurance, costs of attorneys of the Maintenance Commission, court costs and interest at 10% per annum shall be included with the amount of any delinquent assessment in the judgment of foreclosure of such lien. The authority to establish assessments and lien therefor against

lots within the plats subject hereto shall, as to each lot, first arise when the same is first sold by deed or real estate contract from the Grantor herein, its successors or assigns, as developer of a plat within the property described in Exhibit A to a grantee or contract purchaser thereof. Assessments shall be assessed and collected on a fair and uniform basis as among lots subject thereto, subject only to such reasonable differential as may be established by the By-Laws of the Maintenance Commission between improved lots and unimproved lots.

3. Land Use: Lots within the area now or hereafter subject hereto shall be utilized solely for single family residential use consisting of single residential dwelling and such outbuildings (garage, no more than one guest cottage, patio structure) as consistent with permanent or recreational residence. Structure shall be of new construction and shall not be commenced until building permit of appropriate public body is obtained, together with architectural control approval as provided in paragraph 4. Progress of construction shall be steadily progressed and exterior to be completed within twelve months from commencement of construction. No trailers, mobile homes, tent houses or temporary structures shall be installed upon any lot except solely as necessary during active construction period as limited.

4. Architectural Control Committee: No building or structure (including fences or any man-made obstruction) shall be built or placed or thereafter altered on any lot, nor shall a lot be cleared or excavated for use, nor shall any tree of six-inch or more breast-high diameter be cut, until after the details and written plans and specifications thereof disclosing clearing, size, materials, location, finish and elevations (and as to tree cutting, with specific identification of individual trees to be cut) have been submitted to and approved by the committee referred to herein. The Architectural Control Committee shall consist of five individuals who shall be appointed by and subject to removal or replacement by the Board of Trustees of the Maintenance Commission. Address of the Architectural Control Committee shall be in care of the Maintenance Commission at its registered office, 208 Second and University Building, Seattle, Washington 98101, or at such other registered office location as may be hereafter established. Within thirty days of submission of plans and specifications to such committee, such committee by a majority vote and in writing may approve or disapprove or may conditionally approve plans and specifications so submitted. If such plans and specifications be so disapproved (or if conditionally approved, then unless the conditions thereof be complied with) the projected construction shall not be undertaken, or if undertaken in violation hereof, may be abated by legal proceedings instituted by any party having an interest in the enforcement hereof as provided in paragraph 9 below at any time until but not after completion of the projected construction.

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Construction, clearing or excavation undertaken without submitting details, plans and specifications as aforesaid, shall be subject to action under paragraph 9 below, irrespective of time of completion thereof. The committee shall in good faith exercise discretionary approval and disapproval of plans and specifications on a basis of minimizing interference with enjoyment of nearby lots and of enforcing an improvement use and occupancy of the platted area in a pleasing but not necessarily uniform combination of permanent residences and recreational homes.

5. Easements, Roads and Reserve Property: By this declaration, Grantor confirms the granting and reservation of easements, the dedication of public roads and the designation of reserve property, all as shown upon the Plat of Port Ludlow No. One, filed contemporaneously herewith, and reserves unto itself, successors and assigns, the right similarly to grant, reserve, dedicate and designate such matters in future plats subjected hereto. Grantor reserves unto itself the right to transfer title or to contract therefor or to lease or grant the "reserve" property as designated upon the plat or plats which are subject hereto, to the Maintenance Commission, or to grant, contract or lease easements, rights or permits for utility services to any utility district, utility company or public body for purposes of installation, maintenance, replacement or extension of utility services useful to the area subject hereto. Title to the "reserve" property is reserved to the Grantor, its successors and assigns until transferred to the Maintenance Commission or public body. Use or enjoyment of the "reserve" property for any purposes or uses by or for lot owners is permissive only, and no rights by prescription or adverse user as to the "reserve" property or any part thereof shall accrue in favor of any lot or lot owner.

6. Nuisance or Offensive Use: No nuisance or offensive use shall be conducted or suffered as to lots subject hereto, nor shall any lot be utilized for industrial or commercial use (excepting only, appropriate real estate sale signs not exceeding 30" x 30" in size, in sale of lots; Grantor further reserving unto itself, its successors and assigns, as to each plat which is filed or recorded as subject hereto, the right, for a period of five years from the filing of the respective plats, to operate a conventional real estate sales or agency office upon an unsold lot within such plat), nor as a dump, nor shall there be kept animals or stock of any kind, other than conventional domestic pets (provided that the Maintenance Commission may establish permissive rules for the maintenance of trained riding horses). All garbage and refuse shall be stored on the owner's lot, in sanitary containers, obscured from public view and shall be regularly hauled by, or for the

owner to public dump or other suitable dump site not within the area subject hereto.

7. Utilities: As to each lot in the area now or hereafter subject hereto, it is required, as a covenant running with the land, that, upon the raising or maintenance of a habitable structure thereon, there be established and maintained by the owner of such lot a connection with electric and water and sewer utility lines, each as then available to the lot, upon the contract terms (including lien rights for service) then prevailing by the utility district or company providing such services; and, as such utility services may become available at a later date, any then existing such structure shall be then forthwith so connected. All permanent utility systems including water, sewer, electric, gas, cable television and telephone, shall be underground exclusively. There is reserved to the utility district or utility company providing utility service, the exclusive right to connect improvements upon the lots with the utility service lines, for which service the lot owner will pay the then prevailing price for such connection as charged by such utility district or company and the charges therefor shall, together with regular utility service charges, be a lien upon the lot, subject on nonpayment to foreclosure action, including costs, interest and reasonable attorneys' fees, as in the case of a real property mortgage lien. In those portions of the area subject hereto where sewers are or become available, the lot owner will, at the owner's expense and before occupancy of improvements upon the lot (or if sewer service lines become available after occupancy of improvements, then forthwith upon such availability), request connection thereof to the sanitary sewer line which is available for such service, the connection to be effected by the utility district or company providing such utility service, at its then prevailing charge for such connection. No pit (or equivalent) toilet facility shall be constructed or used and each residence shall, before occupancy, be connected at owner's expense with either: (i) septic tank and drainfield as approved by public authorities and installed at owner's expense, if sewer service line is not then available, or (ii) available sanitary sewer service line, whenever such sewer service line is available. When and for so long as public water system service is available, no private well or individual water source shall be created or used for lots subject hereto and each residence structure shall be connected at owner's expense to such public water system.

8. Amendments: This declaration may be amended or terminated by duly recorded amendatory declaration, signed and acknowledged by owners (as said term is used herein) of at least 80% of all lots within platted areas which are then subject hereto (each lot being entitled to one vote), provided that no more onerous restrictions than those herein may be thereby applied as to have effect as to existing noncompliance therewith unless the same be unanimously so approved and recorded, and provided further that the right of assessment and lien and required utility connections, in favor of the Maintenance Commission, Utility District or company, as above provided may not be restricted or eliminated except as approved by resolution

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regularly adopted by the Board of Trustees of said Maintenance Commission.

9. Enforcement: In the event of violation of the terms hereof, any owner of any lot subject hereto, or the Maintenance Commission above provided for, may institute proceedings for abatement or injunction or for damages and reasonable costs of any such action in any court having jurisdiction of the property subject hereto, each owner and the Maintenance Commission being recognized to have a proper interest in the matters herein provided for, and the matters provided for herein being recognized as specifically enforceable.

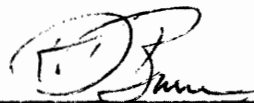
10. Severability: The provisions hereof are severable, and the invalidation of any part or parts hereof shall not thereby disqualify or invalidate the other provisions hereof which shall remain in full force and effect in accordance with their terms.

11. Integrity of Lots: Where the terms "lot" and "lots" are used in this declaration, the same refer to a lot or lots as platted according to a recorded plat thereof which is subject hereto, as executed and recorded in Jefferson County, Washington, by Grantor herein; and Maintenance Commission membership, assessments and liens, and restrictions of use, shall apply to lots as so platted; no platted lot shall be replatted except as this declaration be so amended as specifically to permit the same, all in accordance with the requirements of paragraph 8 hereof, nor shall any division, re-division or consolidation of platted lots or portions thereof have the effect of relieving the application of restrictive covenants to the platted lots as platted.

DATED this 20th day of May, 1968.

POPE & TALBOT DEVELOPMENT, INC.

By



R. D. Bruce, Its President

and



Robert E. Baird, Its Vice President and Secretary



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DESIGN CONSIDERATION
FOR OWNERS & ARCHITECTS

To maintain the general concept of development at Port Ludlow, the Architectural Control Committee has determined a number of considerations which will serve as a guide-line for owners and architects. It is realized that, with passing time, these general criteria may change in keeping with changes in building materials, methods of construction and architectural concepts.

1. All buildings (including additions and exterior remodeling), fencing, repainting, etc. must first be approved by the Architectural Control Committee as specified in the restrictive Covenants.
2. Plans submitted to the Committee for approval should contain the following:
 - a. A plot plan of the lot, drawn at a scale of no less than $1/8" = 1' - 0"$ indicating:
 - (1) Legal description of lot or lots (2) a north arrow for orientation (3) the location of all existing and/or proposed improvements (4) the direction of views (5) the proposed drainage plans (6) the proposed location of septic tank and drainfield (7) the location of all proposed utility installations and (8) the location of all trees having a height in excess of six feet or having a trunk measuring six inches in diameter or more at ground level. Such of these trees which the owner proposed to remove should be so designated.
 - b. A floor plan drawn at a scale of no less than $1/8" = 1' - 0"$.
 - c. Four major exterior building elevations.
 - d. A roof plan drawn at a scale of no less than $1/8" = 1' - 0"$, together with an outline description of materials and colors proposed for use upon all exterior building surfaces.
3. Set-back requirements are not detailed in the legal restrictions because of the great variety of topography and view lots. The Committee will determine the set-back for each lot.
4. The orientation and location of houses on lots is to be approved by the Committee. The intent is to keep all homes as compatible as possible with their natural surroundings and with each other.
5. In general, all homes will be single story, except on sites which lend themselves to two story or daylight basements. Views from all lots will be safeguarded to the extent reasonably possible.
6. In general, A-frame type homes will not be approved. There are a few lots on which homes of this nature would be compatible and would be approved.
7. All garages or carports must be attached to homes, except when attachment is prevented by unusual topography.
8. Abundant use of outdoor decks and patios will be encouraged.
9. The use of new materials on all exterior surfaces will be required. Used brick will be permissible.
10. It is desired that the majority of the homes have their exteriors made from materials indigenous of the Northwest.

11. The use of semi-transparent wood stains in lieu of paints will be encouraged. Bright paint exteriors other than in trim or in accent panels will be discouraged and will be approved only in unusual locations.
12. Cedar shake or shingle roofs will be required. No asphaltic covering shall be used as finished exterior siding.
13. Home plans must provide for the screening of garbage cans and trash areas from view from adjacent properties and roads.
14. No minimum square footage, roof area, or cost has been established in the restrictions. Rather than fix arbitrary standards, size will be controlled by the Committee. The important thing will be the compatibility of the home to its site and to its neighbors. With thought and planning a home of outstanding attraction can be built in as little as 500 square feet and we anticipate the construction of homes of all sizes. If you are in doubt concerning acceptability of plans, we suggest submission of tentative plans for tentative approval before you proceed.

ARCHITECTURAL CONTROL COMMITTEE

LUDLOW MAINTENANCE COMMISSION