

**AMENDED AND RESTATED
BYLAWS OF
THE TOWN HOMES AT LUDLOW BAY ASSOCIATION**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is the Town Homes at Ludlow Bay Association, hereinafter referred to as the "Town Home Association." The principal office of the Association shall be located at _____ Heron Road, Port Ludlow, Washington 98365, but meetings of Members and Directors may be held at such places within the State of Washington as may be designated by the Board of Directors.

**ARTICLE II
PURPOSE AND POWERS OF THE ASSOCIATION**

The Town Home Association does not contemplate pecuniary gain or profit to the members thereof, and it is formed for management, maintenance, social and recreational purposes to benefit the 25 residential town homes within Ludlow Bay Village, and the owners, residents and occupants therein. Ludlow Bay Village, including the town homes, is subject to an Amended and Restated Master Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Liens, Reservations and Easements for Ludlow Bay Village (hereafter referred to as the "Master Declaration"). The Master Declaration, together with all amendments thereto now or in the future, is incorporated herein by this reference and, in the event of any inconsistency between the Master Declaration and these Articles of Incorporation, the Master Declaration shall control. In addition, the definitions contained within the Master Declaration shall apply to these Articles of Incorporation by this reference.

The Town Home Association shall have the right and responsibility to exercise all of the powers and privileges and to perform all of the duties and obligations of the Town Home Association set forth in the Master Declaration, as may be amended from time-to-time, and as provided under the Washington Non-Profit Corporation Act, RCW 24.03, as specifically set forth in RCW 24.03.035, as may be amended from time-to-time.

**ARTICLE III
MEMBERSHIP AND MEETINGS OF MEMBERS**

Section 1. Members.

Every person or entity who is a record owner of a fee or undivided fee interest in a town home lot shall be Members of the Town Home Association. As used herein, a "town home lot" means each of the following lots within the Plat of Ludlow Bay Village: TH 1, TH 2, TH 3, TH 4, TH 5, TH 6, TH 7, TH 8, TH 9, TH 10, TH 11, TH 12, TH 13, TH 14, TH 15, TH 16, TH 17, TH 18, TH 26, TH 27, TH 28, TH 29, TH 30, TH 31, and TH 32. Membership shall be appurtenant to and may not be separated from ownership of the town home lot to which the

Membership is attributable. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Terms and conditions of Membership are set forth in the Master Declaration. Each town home lot shall be entitled to one Membership. When more than one person holds an interest in any town home lot, all such persons shall be Members. The rights and obligations of Membership in the Town Home Association shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon conveyance of said lot by deed, intestate succession, testamentary disposition, foreclosure or other legal process pursuant to the laws of the State of Washington or the United States.

Section 2. Voting.

Each Membership shall be entitled to one (1) vote on all matters to come before the Town Home Association for a vote of the Membership. When there are multiple owners of a lot, the vote for such lot shall be exercised as they collectively determine. If there is no collective determination, then the vote shall not be counted. Unless otherwise specified to the contrary in the Master Declaration or other Governing Documents, a majority vote is required on any issue to come before the Membership for a vote. The rights and obligations of Membership in the Town Home Association shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon conveyance of the town home lots, intestate succession, testamentary disposition, foreclosure or other legal process pursuant to the laws of the State of Washington or the United States.

Section 3. Meetings.

Section 3.1 Annual Meetings. The annual meeting of the Members for election of Directors and for the transaction of such other business as may properly come before the meeting, shall be held each year at a date, time and place as determined by the Board of Directors.

Section 3.2 Special Meetings. Special meetings of the Members for any purpose or purposes may be called at any time by the President of the Association, by a majority of the Board of Directors, or by Members having at least twenty percent (20%) of the votes entitled to be cast at such a meeting, at such time and place as the President, the Directors or the Members may prescribe.

Section 4. Notice of Meetings.

Notice of the time and place of the annual meeting, and in case of a special meeting, the time, place and purpose or purposes for which the meeting is called, shall be delivered to each Member entitled to vote at such meeting not less than ten (10) nor more than fifty (50) days before the date of the meeting, by or at the direction of the President, the Secretary, the Directors or the persons calling the meeting. Such notice may be delivered by regular or express mail, private carrier, personal delivery, email, electronic network posting, facsimile, or by telegram or teletype.

Section 4.1 Consent to Notice By Email. If notice is provided to Members by email, it is effective only with respect to Members who have: (a) consented in writing or by

email to receive notices transmitted by email; and (b) designated in the consent the message format that is accessible to the recipient, and the address, location, or system to which these notices may be emailed. A Member who has consented to receipt of emailed notices may revoke the consent by delivering (by mail, facsimile or email) a revocation to the Association. The consent of any Member is revoked if the Association is unable to transmit by email two (2) consecutive notices given in accordance with the Member's consent, and this inability becomes known to the Secretary or other person responsible for giving the notice. The inadvertent failure to treat this inability as a revocation does not invalidate any meeting or other action.

Section 4.2 Delivery of Notice By Email. Notice provided by email to a Member who has consented to receive notice by such means is effective when it is emailed to an address designated by the recipient for that purpose.

Section 4.3 Delivery of Notice By Posting to Electronic Network. The Association may provide notice of the time and place of any meeting of the Members by posting the notice on an electronic network (such as a listserv), provided that the Association also delivers to the Member notice of the posting by mail, facsimile, or email (pursuant to the recipient's consent to receive notices by email), together with comprehensible instructions regarding how to obtain access to the posting on the electronic network.

Section 4.4 Delivery of Notice By Other Means. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association, with postage thereon prepaid. Other forms of notice described in this section are effective when received.

Section 5. Quorum.

The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty-five percent (25%) of the total votes of the Town Home Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Master Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time-to-time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be represented.

Section 6. Proxies.

At all meetings of Members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his property.

**ARTICLE IV
BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE**

Section 1. Board of Directors.

The affairs of the Town Home Association shall be managed and conducted by a Board of Directors to be composed of at least three (3) and no more than nine (9) directors, the precise number of which shall be determined by resolution of the Board of Directors from time to time, who shall be elected by the Members annually. The Board of Directors, by amendment of these Bylaws, may increase or decrease the number of Directors, provided that no decrease in number shall have the effect of shortening the term of any incumbent. Each member of the Board of Directors shall be entitled to one (1) vote on all matters to come before the Board. A majority vote shall be required for all matters to come before the Board except as otherwise specifically provided herein or in the Master Declaration or as may be required otherwise by Washington law.

Section 2. Term of Office.

Directors shall be elected at each annual meeting of the Members, to hold office until the next annual meeting.

Section 3. Resignation and Vacancies.

Any Director may resign. In the event of death or resignation of a Director, his successor shall be selected or designated as set forth herein and shall serve for the unexpired term of his predecessor.

Section 4. Compensation.

No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Elections.

Election to the Board of Directors shall be by secret written ballot. The person(s) receiving the largest number of votes shall be elected.

**ARTICLE V
MEETING OF DIRECTORS**

Section 1. Annual Meeting.

The annual meeting of the Board of Directors shall be held immediately after the annual Membership meeting. Said meeting shall be held at the same place as the Membership meeting unless some other place shall be specified by resolution of the Membership at such meeting.

Section 2. Regular Meetings.

Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time-to-time by the Board of Directors.

Section 3. Special Meetings.

Special meetings of the Board of Directors shall be held when called by any two (2) Directors.

Section 4. Notice of Meetings.

Notice of the annual meeting or regular meetings of the Board of Directors may be given in the discretion of the Board of Directors by any means reasonably calculated to impart notice of such meetings. Notice of the time and place of any special meeting of the Board of Directors shall be given by the Secretary, or by the Director or Directors calling the meeting, by regular or express mail, private carrier, personal delivery, email, electronic network posting, facsimile, telegram, teletype, or by personal communication over the telephone or otherwise, at least three (3) days prior to the date on which the meeting is to be held. Neither the business to be transacted nor the purpose of any meeting of the Board of Directors need be specified in the notice or any waiver of notice of such meeting.

Section 4.1 Consent to Notice By Email. If notice is provided to Directors by email, it is effective only with respect to Directors who have: (a) consented in writing or by email to receive notices transmitted by email; and (b) designated in the consent the message format that is accessible to the recipient, and the address, location, or system to which these notices may be emailed. A Director who has consented to receipt of emailed notices may revoke the consent by delivering (by mail, facsimile or email) a revocation to the Association. The consent of any Director is revoked if the Association is unable to transmit by email two (2) consecutive notices given by the Association in accordance with the Director's consent, and this inability becomes known to the Secretary of the Association or other person responsible for giving the notice. The inadvertent failure by the Association to treat this inability as a revocation does not invalidate any meeting or other action.

Section 4.2 Delivery of Notice By Email. Notice provided by email to a Director who has consented to receive notice by such means is effective when it is emailed to an address designated by the recipient for that purpose.

Section 4.3 Delivery of Notice By Posting to Electronic Network. The Association may provide notice of the time and place of any special meeting of the Board of Directors by posting the notice on an electronic network (such as a listserv), provided that the Association also delivers to the Director notice of the posting by mail, facsimile, or email (pursuant to the recipient's consent to receive notices by email), together with comprehensible instructions regarding how to obtain access to the posting on the electronic network.

Section 4.4 Delivery of Notice By Other Means. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at

his or her address as it appears on the records of the Association, with postage thereon prepaid. Other forms of notice described in this section are effective when received.

Section 4.5 Effect of Attendance at Meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where the Director attends a meeting for the purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. Quorum.

A majority of the Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

**ARTICLE VI
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. Powers.

The Board of Directors shall be entitled to provide all goods and services requisite to the proper maintenance, repair and upkeep of the town homes at Ludlow Bay, including those set forth in Paragraph 5.2 of the Master Declaration.

Section 2. Duties.

It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs to the full extent required by the Master Declaration or Washington law;
- (b) supervise all officers, agents and employees of the Town Home Association, and to see that their duties are properly performed;
- (c) perform all obligations and exercise all rights set forth in the Master Declaration;
- (d) initiate any legal action deemed necessary by the Board to enforce any of the provisions of these Bylaws, the Articles of Incorporation and/or the Master Declaration;
- (e) issue; or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) fulfill all requirements of the Town Home Association as set forth in the Master Declaration.

**ARTICLE VII
OFFICERS AND THEIR DUTIES**

Section 1. Enumeration of Offices.

The Officers of the Town Home Association shall be a President and Vice President, Secretary and Treasurer, together with such other officers as the Board may from time-to-time by resolution create.

Section 2. Election of Officers.

While Declarant has control of the Board of Directors, it shall have the right to select all officers. At the end of Declarant control, the Board of Directors shall have the right to elect the Officers of the Association, which election shall take place each year at the annual meeting of the Board of Directors.

Section 3. Term.

Each Officer of the Association shall hold office for one (1) year, unless they shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments.

The Board may elect such other officers as the affairs of the Town Home Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time-to-time, determine.

Section 5. Resignation and Removal.

Any Officer may be removed from office with or without cause by the Board of Directors. Any Officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies.

A vacancy in any Office may be filled by appointment of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices.

The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special officers created pursuant to Section 4 of this Article.

Section 8. Duties.

The duties of the Officers are as follows:

President

The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments, unless otherwise provided by the Board of Directors.

Vice President

The Vice President shall set in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

Secretary

The Secretary shall record the votes and either keep, or arrange to have kept, the minutes of all meetings and proceedings of the Board and of the Members; arrange for service of the notice of meetings of the Board of Directors and of the Members; keep, or cause to be kept, appropriate current records showing the Members of the Association together with their addresses, and perform such other duties as required by the Board of Directors.

Treasurer

The Treasurer shall oversee all Town Home Association funds; direct disbursement of said funds as directed by resolution of the Board of Directors; keep proper books of account; prepare an annual budget and statement of income and expenditures to be presented to the Board of Directors at its regular annual meeting; and provide copies of said budget and statement to the Membership at its regular annual meeting.

**ARTICLE VIII
COMMITTEES**

The Board of Directors may appoint committees as deemed appropriate in carrying out its purpose.

**ARTICLE IX
BOOKS AND RECORDS**

The books, records and papers of the Town Home Association shall be subject to inspection by any member at reasonable times, and upon reasonable notice, as set by the Board of Directors. The Board of Directors shall have the right to charge a reasonable fee for copies and other administrative expenses associated with inspection of the books, records and papers of the Town Home Association.

**ARTICLE X
ASSESSMENTS**

The Town Home Association shall have the full power to exercise all of the rights and obligations with regard to annual and special assessments as set forth in the Master Declaration. Each member is obligated to pay to the Town Home Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If any assessment is not paid in a timely manner, the Town Home Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the town home lot of the owner, and interest, costs and reasonably attorneys' fees associated therewith shall be added to the amount of such assessment.

**ARTICLE XI
AMENDMENTS**

Section 1. Amendment.

These Bylaws may be amended by a majority vote of the Board of Directors; but may not be amended so as to be inconsistent with the Master Declaration.

Section 2. Conflict.

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Master Declaration and these Bylaws, the Master Declaration shall control.

IN WITNESS WHEREOF, I have hereto subscribed my name this 22nd day of July, 2009.



Secretary