



**BYLAWS
OF
LAKELAND
VILLAGE
COMMUNITY
CLUB**

June 20, 2017

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ARTICLE I

GENERAL PROVISIONS

A. Name. The name of the Association is LakeLand Village Community Club.

B. Jurisdiction. This Association has jurisdiction over all land within the LakeLand Village development (“LakeLand Village Community Club”), legally described as:

Lakeland Village No. 1, Volume 6 of Plats, pages 41, 42 and 43, records of Mason County, Washington. (Lots 1 to 152); Parcel Nos. 12220 50 00001 to 00152;

Lakeland Village No. 2, Volume 6 of Plats, pages 150 and 151, records of Mason County, Washington. (Lots 1 to 27); Parcel Nos. 12220 51 00001 to 00027;

Lakeland Village No. 3, Volume 6 of Plats, pages 152 and 153, records of Mason County, Washington. (Lots 1 to 11); Parcel Nos. 12220 52 00001 to 00011;

Lakeland Village No. 4, Volume 8 of Plats, pages 23 and 24, records of Mason County, Washington. (Lots 1 to 37); Parcel Nos. 12220 53 00001 to 00037;

Lakeland Village No. 5, Volume 8 of Plats, pages 77, 78 and 79, records of Mason County, Washington. (Lots 1 to 116); Parcel Nos. 12220 54 00001 to 00116;

Lakeland Village No. 6, Volume 8 of Plats, pages 89 to 92, both inclusive, records of Mason County, Washington. (Lots 1 to 91); Parcel Nos. 12220 55 00001 to 00091;

Lakeland Village No. 7, Volume 9 of Plats, pages 155, 156 and 157, records of Mason County, Washington. (Lots 1 to 86); Parcel Nos. 12219 50 00001 to 00086;

Lakeland Village No. 8, Volume 10 of Plats, pages 17 and 18, records of Mason County, Washington. (Lots 1 to 14, B and C); Parcel Nos. 12220 56 00001 to 00016;

Lakeland Village No. 9, Volume 10 of Plats, pages 34 and 35, records of Mason County, Washington. (Lots 1 to 21, A and B); Parcel Nos. 12220 57 00001 to 00023;

Lakeland Village No. 10, Volume 10 of Plats, pages 68, 69 and 70, records of Mason County, Washington. (Lots 1 to 23); Parcel Nos. 12220 58 00001 to 00023;

Lakeland Village No. 11, Volume 10 of Plats, pages 87 to 93, both inclusive, records of Mason County, Washington. (Lots 1 to 139); Parcel Nos. 12217 50 00001 to 91398;

Lakeland Village No. 12 Phase 1, Volume 10 of Plats, pages 156 to 162, both inclusive, records of Mason County, Washington. (Lots 1 to 78); Parcel Nos. 12217 53 00001 to 00078;

Lakeland Village No. 12 Phase 2, Volume 10 of Plats, pages 246 to 251, both inclusive, records of Mason County, Washington. (Lots 1 to 51); Parcel Nos. 12218 50 00001 to 00051, 00934;

Alteration to the Plat of Lakeland Village No. 12 Phase 2, Volume 11 of Plats, pages 46 and 47, records of Mason County, Washington. (Lots 52 to 59); Parcel Nos. 12218 50 00052 to 00059;

Alteration to the Plat of Lakeland Village No. 12 Phase 2, Volume 11 of Plats, pages 79, 80 and 81, records of Mason County, Washington. (Lots 60 to 64); Parcel Nos. 12218 50 00060 to 00064; and

Condominiums lying within Lakeland Village plats: Parcel Nos. 12217 52 00000 to 00120, 12217 54 00010 to 00140, 12217 55 00001 to 00016, 12217 56 00001 to 00039, and 12218 51 00001 to 00016;

as well as all other land properly made a part thereof, and all activities and uses of property therein arising out of or related to the purposes of the Association.

C. Purposes. The purposes for which this Association is founded are to provide for the maintenance, preservation, and architectural control of the residential lots and common properties within its jurisdiction; to promote the health, safety, and welfare of the members and their families; and to exercise any or all powers specified in the governing documents of LakeLand Village Community Club, as well as the powers of non-profit associations and homeowners' associations pursuant to the laws of the State of Washington, including RCW chs. 24.03 and 64.38, or as amended.

D. Common Areas. Common areas are for the exclusive use and enjoyment of members, their family members, and their guests. The Association, through its Board of Directors, may create reasonable rules and regulations for the use of its common areas, and for the conduct of members, their family members, and guests relating thereto.

E. Authorities. This Association is subject to the applicable recorded Protective Covenants of LakeLand Village Community Club; its Articles of Incorporation; these Bylaws; other Association governing documents including but not limited to rules and regulations of the Association; RCW ch. 24.03, the Nonprofit Corporation Act, or its successor; RCW ch. 64.38, the Homeowners' Association Act, or its successor; and the laws of the State of Washington and of the United States. This Association has all of the powers of all similar Associations as provided for by State law.

F. Definitions. As used in these Bylaws, the following have the specified meanings:

1. Common Areas. These include common properties, such as beaches, the lake, walking trails, parks, boat storage areas, boat launches, and

green belts, and any other real property owned by the Association, as well as any real property later acquired by the Association.

2. Family Members. For the purposes of these Bylaws, these include the spouses or domestic partners of members, and their dependents who live with them.

3. Guests. Guests are those whom a member invites to use the member's property. There are two kinds of guests, social and business. Family members other than those defined above may be guests, depending on the circumstances. Employees, contractors and other agents are also guests.

4. Member. A member is the owner or contract purchaser of a LakeLand Village residential lot. There may be only one member for each lot; if there are multiple owners of any lot, they shall designate one from among them who shall be the member. Any person may hold only one membership in the Association regardless of the number of lots owned.

5. Members in Good Standing. These are members who are not more than 90 days delinquent in the payment of any amount due to the Association, unless a repayment agreement has been reached and is complied with.

6. Lot. A lot is a parcel of land within the jurisdiction of the Association, as shown on the original Association plats. If two or more lots are combined together by a Boundary Line Adjustment, boundary line agreement, judgment, or other process producing a generally similar result, they become one lot for assessment purposes.

G. Powers. LakeLand Village may, as a Washington State homeowners' association, unless otherwise provided in its governing documents:

1. Adopt and amend Bylaws, rules, and regulations;
2. Adopt and amend budgets for revenues including assessments, expenditures, and reserves; and impose and collect assessments for common expenses from owners;
3. Hire and discharge or contract with managing agents and other employees, agents, and independent contractors;
4. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more owners on matters affecting the homeowners' association, but not on behalf of owners involved in disputes that are not the responsibility of the association;
5. Make contracts and incur liabilities;
6. Regulate the use, maintenance, repair, replacement, and modification of common areas;
7. Cause additional improvements to be made as a part of the common areas;
8. Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property;
9. Grant easements, leases, licenses, and concessions through or over the common areas and petition for or consent to the vacation of streets and alleys;
10. Impose and collect any payments, fees, or charges for the use, rental, or operation of the common areas;
11. Impose and collect charges for late payments of assessments and, after notice and an opportunity to be heard by the Board of Directors or by the representative designated by the Board of Directors and in accordance with

the procedures as provided in the Bylaws or rules and regulations adopted by the Board of Directors, levy reasonable fines in accordance with a previously established schedule adopted by the Board of Directors and furnished to the owners for violation of the Bylaws, rules, and regulations of the association;

12. Exercise any other powers conferred by these Bylaws;

13. Exercise all other powers that may be exercised in this state by the same type of corporation as the association;

14. Exercise any other powers necessary and proper for the governance and operation of the association; and

15. Exercise any other powers conferred by any other applicable authority, including current and subsequent statutory authority.

ARTICLE II

MEMBERSHIP

A. General. Although the Board of Directors acts in most instances on behalf of the Association, the primary authority of LakeLand Village Community Club rests with its members, except where assigned to the Board of Directors by its governing documents or law, including these Bylaws. Members elect Directors to the Board of Directors; approve or disapprove annual and special budgets, including assessment amounts and further financial proposals; and vote on initiatives and referenda. Members are responsible for complying with all Association requirements, including paying in a timely manner all assessments due to the Association, and respecting the covenants and other applicable rules. No member may withdraw membership except by transfer of ownership. Each member in good standing has the right to use Association

property and facilities, and to permit guests and family members to do so as well; all pursuant to LakeLand Village Community Club's reasonable rules and regulations. Each member in good standing also has the right to participate in Association activities, serve on the Association Board of Directors and its committees, and vote.

Each member in good standing also has the right to appeal to the Board of Directors any decision made by the Association that adversely affects the member.

Members who are not in good standing do not have these rights.

Each member is personally responsible for the actions of himself or herself, and all guests, family members and tenants, as well as all other occupants of or visitors to his or her lot, as they relate to the facilities and operations of the Association, its governing documents, common areas, and other Association rules and regulations and other requirements. Each member also has all of the rights and responsibilities conferred by LakeLand Village restrictive covenants, rules and regulations, and other governing documents, as well as state law.

B. Voting Rights. Only members in good standing are eligible voters. Multiple owners of any lot shall designate who shall be the member for that lot and be able to cast the vote for that lot. One vote may be cast for each lot. Any one member may only cast one vote, regardless of the number of lots owned. For example, a husband and wife who own three lots may cast one vote each, or a total of two votes.

C. Petition Rights. Any member in good standing who in good faith believes that the Association has acted in any way contrary to law or the provisions of these Bylaws or any other Association rules or requirements, including by taking any action involving that member individually, or any action

affecting the entire membership, may petition the Board of Directors in writing to consider the matter. The petition shall state the rule or requirement at issue, the specific factual allegations made, and the identity and contact information for any witnesses. It shall also include copies of all evidence, where reasonably possible. The Board of Directors shall adopt a reasonable and fair system to address such petitions.

D. Meetings.

1. Annual Membership Meeting. There shall be a budget and election annual membership meeting on the fourth Tuesday of February of each year, and a general annual membership meeting on the third Tuesday in June of each year. If approved by the Board, members may participate in a meeting by conference telephone or similar communications process so that all persons participating in the meeting can hear each other at the same time. Participation by that method constitutes presence in person at a meeting.

2. Special Membership Meetings. Special meetings of the membership may be called by the President of the Board of Directors, a majority of the Board of Directors, or by members having ten percent of the total votes of the Association.

3. Notice. Notice of all membership meetings shall be delivered, or sent by prepaid, first class United States mail, **or** by other means specified by law, to each member. Notice shall be given not less than 14 days, and not more than 50 days, prior to each meeting. The notice shall state the time, place, and agenda of the meeting, and include a brief discussion of the significant issues to be discussed or voted on that is reasonably fair and balanced. Notice is 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, or otherwise as specified by law.

4. Place. Membership meetings shall be held at the LakeLand Village Clubhouse, or, if the Clubhouse is not available, at such other place as may be designated by the Board.

5. Agenda. The agenda for membership meetings may include elections and approval of a budget, which shall include provision for assessment amounts and/or other financial proposals. The agenda may also include referenda, which are issues submitted to the general membership by the Board of Directors, either for binding vote, or guidance; and initiatives, which are issues submitted by the signatures of members in good standing representing ten percent of the total votes of the Association. No initiative proposal adopted by the members may, (1) contradict controlling provisions of Association governing documents or federal, state or local law; or (2) unreasonably interfere with the contract rights of any third parties, as determined by the Board of Directors.

At each annual membership meeting, the Officers and committee chairpersons shall provide summary reports of operations of the preceding year, and plans for the upcoming year, as well as long-range plans. The agenda shall also include provision for such Officer and committee reports, and may also include provision for discussion of particular issues.

In order to be fair to members unable to attend, neither the agenda nor any items on it may be amended during the course of the meeting, and all items to be voted on shall be considered as presented without amendment or modification; provided, however, that in case of a tie vote, the members present shall participate in a re-vote to resolve the matter.

6. **Quorum.** A quorum for the transaction of business at any general membership meeting shall be ten percent of the total number of votes of eligible voters, voting either in person, or by mail.

7. **Ballots.** A member may cast his or her vote in person or by mail, according to procedures established by the Board of Directors.

8. **Majority.** Actions of the membership shall be taken by a majority vote of the members in good standing, voting at a meeting with a quorum, except as otherwise provided by law or LakeLand Village governing documents. An example of such an exception is set out at Article IV(H) below, regarding the adoption of income and expense budgets, including assessments.

9. **Procedures.** The Board of Directors shall establish procedures for initiatives, referenda, membership meetings, and other matters relating to membership issues that are reasonable and fair, in its judgment, including procedures to ensure the accuracy of voting as deemed appropriate.

ARTICLE III

BOARD OF DIRECTORS

POWERS AND DUTIES

A. **General.** The Board of Directors is responsible for acting in all instances on behalf of the Association, except where otherwise expressly provided. It conducts, manages, and controls the affairs and business of the Association, and exercises ownership authority and control over all of the common properties of the Association. It shall establish procedures for its meetings and all matters relating to its work that are reasonable and fair, in its judgment. The Board of Directors shall, when necessary and appropriate,

develop rules and regulations to support the purposes of the Association that are reasonable and fair.

Members of the Board of Directors develop skills and insight into the work of the Association through their service to the Association, including as Directors. Their responsibilities are to follow applicable laws and LakeLand Village Community Club governing documents, including rules and regulations, in good faith in ways that, in their individual and collective judgments, best serve the purposes of the Association, and are fair and reasonable.

B. Membership Participation. The Board of Directors shall keep the membership informed of significant current and prospective issues. The Board of Directors shall define such issues, take steps to educate and inform the membership about them, and listen to the members' responses, including use of informal surveys, referenda, and informational "town meetings" as appropriate. In evaluating the opinions of the members, the Board of Directors shall take care to consider its duties to the purposes of the Association, and to avoid allowing any one member to exercise a disproportionate role in the process.

C. Records. The Board of Directors shall keep records, including, but not limited to, records of the current Articles and Bylaws; a list of members, including names and addresses; sufficiently detailed information to provide to the members a true statement of the financial status of the Association; a list of Officers' and Directors' names and addresses; and minutes of the Board meetings, the general membership meetings, and the meetings of all committees that keep minutes, for at least ten years. In addition, the Board shall keep other records of its operations, as it deems necessary, for the conduct of association affairs, including matters having to do with individual members and lots.

Association records may be inspected and copied by any members and their authorized agents, and mortgagees, upon reasonable advance notice. The only exceptions are for records otherwise protected from disclosure by law. The Association may impose reasonable charges for the inspection and/or copying of the records. The Association shall not release any unlisted telephone numbers of members without authorization. If a member gains access to a membership list by inspection and copying of association records, use or sale of such membership list by the member is prohibited.

D. Enforcement Actions. The Board of Directors may determine whether to take enforcement action in any matter by exercising the Association's power to impose sanctions, including but not limited to the use of procedures established by Board Resolution or rule; or commencing remediation, including where reasonably necessary litigation; for a violation of the provisions of its governing documents including its rules and regulations. This determination shall include whether to compromise any claim made by or against it, or regarding its affairs. Factors for the Board to consider when making such determinations include, but are not limited to:

1. The extent of the seriousness of the circumstances, the Association's attempts to resolve matters by less formal means, and the member's response to those attempts;
2. The relationship between the seriousness of the circumstances and the costs of enforcement;
3. Whether the Association's possible actions involve risk to the Association;

4. The member's historical record of compliance with association rules, and with attempts at resolution of disputes with the Association or other members regarding association affairs;
5. The general need for consistent treatment of all members; and
6. Whether it is in the Association's overall best interests to pursue enforcement, and if so, to what extent.

ARTICLE IV
BOARD OF DIRECTORS
GENERAL

A. Number. There shall be between five and nine members of the Board of Directors. The number may be changed for good cause by the Board of Directors.

B. Qualification. Any member in good standing is qualified to serve as a Director, with exceptions based on relationships to other Directors. No member may serve as Director if he or she is a life partner with another Director; or is a sibling, child or parent of a Director or of that Director's life partner. "Life partner" means spouse, registered domestic partner, or any substantially similar relationship.

C. Terms of Office. Each Director shall serve a term of three years. Each Director shall serve until the earlier of his or her removal, or the election of a successor.

D. Removal. A Director may be removed with or without cause by a majority vote of the members in good standing voting at a meeting with a

quorum, upon proper submission of a member initiative or Board of Directors referendum. A Director may also be removed by resignation or disqualification. Resignation is effective upon delivery of written or oral notice of the same to the President of the Board of Directors, or Vice-President in case of the unavailability of the President. A Director shall become disqualified if he or she is no longer a member, or a member in good standing; or misses three consecutive meetings without reasonable cause, as determined by the Board of Directors. The Board shall determine such vacancies and disqualifications, and declare a Director position vacant, by motion and vote.

E. Vacancies. If a Director is removed, becomes disqualified, resigns, or a vacancy occurs in a Board position for any other reason, the remaining Directors shall appoint a successor within a reasonable period of time, even though less than a quorum is present at the Board meeting at which the matter is considered. The appointed successor shall fill the remainder of the unexpired term of the former Director.

F. Meetings.

1. Where and When. The Board of Directors shall meet at the office of the Association, unless otherwise necessary, at least monthly. Special meetings of the Board of Directors may be called by the President or by a majority of the Board. When a special meeting is called, notice of the same shall be given to Directors orally or personally in writing, or through email.

2. Notice. Notice of regular Director meetings shall be given by general reference in mailings to the membership, by electronic communication, and/or by posting at the office and/or clubhouse. Notice of special Board of Directors meetings shall be given, by delivery of notice of the same in writing,

signed by the President or initiating Board members, to the Directors at least 24 hours prior to the meeting, when reasonably possible. If such Notice is not reasonably possible, then Notice shall be given to Directors in a manner most likely to provide actual notice. Notice of special Board of Directors meetings shall also be given to the general members at least 24 hours prior to the meeting, when reasonably possible, by posting notice at the Association office.

3. Quorum. A quorum of the Board of Directors for the transaction of business shall be a majority of the then sitting Directors.

4. Majority. A majority vote of the Directors at a meeting at which a quorum is present is sufficient to transact the business of the Board of Directors. Directors may not vote by proxy.

5. Distance Meeting. Any meeting of the Board of Directors may be conducted by telephone conference call, or similar communications medium, whereby all Directors participating are in voice or electronic contact with each other throughout the meeting, subject to all other meeting requirements as set forth herein.

G. Delegation of Powers. The Board of Directors may delegate such powers with respect to management of the Association as it deems appropriate, subject to state law and the governing documents and rules and regulations of the Association.

H. General or Special Budget for Income, Expenses and Reserves. The following formula or procedure shall be used to determine the governance of the Association's financial matters, including regarding income such as assessments, payment of expenses, and reserves. The Board of Directors shall adopt a proposed annual budget for (1) annual and special assessments

(including for assessment rates per lot) and other income, (2) expenses, and (3) reserves; as well as special or amended budgets for the same, or any of them, when needed. Assessments shall be set in an amount the Board deems necessary to meet the purposes of the Association, and shall be imposed on an equal basis per lot. Within thirty days after adoption by the Board of Directors of any such proposed regular or special budget of the Association, the Board shall set a date for a meeting of the owners to consider ratification of the budget, including the assessment amounts. Written notice of any such meeting shall be sent to all members not less than fourteen nor more than fifty days after mailing of the summary, and shall include a statement of the purpose for which the meeting is to be held with a summary of the issues to be decided. Unless at that meeting the owners of a majority of the total votes in the Association that may be voted reject the budget, in person or by proxy, the budget, including assessment rates, is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the owners shall be continued until such time as the owners ratify a subsequent budget proposed by the Board of Directors.

I. Budget Reports. The Board of Directors will make available to the members budget reports, specifying performance in light of the budget.

ARTICLE V

OFFICERS

A. Election. At the first meeting of the Board of Directors after each annual meeting of the members, the Board of Directors shall elect its President, Vice-President, Secretary, and Treasurer from among the Directors. One

Director may hold the offices of Secretary and Treasurer at the same time. Officers of the Association so elected shall hold office until their successors are qualified.

B. Removal. Any Officer may be removed as such by a majority vote of the Directors present at a Board of Directors meeting with a quorum. Upon removal of an Officer, the Board of Directors shall elect a replacement within a reasonable time.

C. President and Vice-President. The President shall preside at all meetings of the Directors and members, shall sign as President on all agreements, contracts, and instruments authorized by the Board of Directors, and shall be its Chief Executive Officer. The Vice-President shall perform the duties of the President when the President is unavailable.

D. Secretary. The Secretary shall be generally responsible for all meeting notices and the minutes of all meetings of the membership and of the Board of Directors, and shall have general charge of all of the Association books, records, and papers.

E. Treasurer. The Treasurer shall be generally responsible for keeping safely all money, financial accounts of the Association, and for preparing and keeping a complete accounting of the financial records of the Association, for presentation to the members at the annual membership meeting, and at all other times as required.

F. Execution of Documents. The President, or in the absence of the President, the Vice-President, shall sign and execute all contracts, conveyances, notes, and security agreements on behalf of the corporation. The same shall also be signed and executed by either the Treasurer or the Secretary. When

necessary due to particular circumstances, the Board of Directors may specifically authorize signing and execution otherwise. Checks, drafts, and other negotiable instruments, and other documents except amendments to Association documents, may be signed and/or executed as provided by the Board of Directors. The President or Vice-President, in the absence of the President; and Secretary or Treasurer, in the absence of the Secretary; shall together be responsible for preparing, executing, certifying, and recording Association governing documents, Association rules and regulations, and amendments thereto.

G. Employees and Agents. The Board of Directors may appoint, engage, and/or employ, pursuant to its direction, employees, contractors, agents, and volunteers.

ARTICLE VI COMMITTEES

A. Director Committees. The Board of Directors may form committees of Directors at any time for such purposes as it may deem necessary, by resolution adopted by a majority of the Directors in office. Each such committee shall consist of two or more Directors. Each such resolution shall specify the composition of and procedures for and functions assigned to each committee, and any other matters reasonably necessary to its effective operation. Such committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation; provided, that no such committee shall have the authority of the Board of Directors in matters regarding amending, altering, or repealing these Bylaws; electing, appointing, or removing any member of any such committee

or any Director or Officer of the corporation; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, or exchange of all or substantially all of the property and assets of the corporation not in the ordinary course of business; authorizing the voluntary dissolution of the corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the corporation; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him or her by law.

The President of the Board shall have the authority to appoint to and remove members from these committees, with the consent of the Board. All Director committees shall make minutes of their meetings, and keep their minutes and other documents in the Association offices.

B. Member Committees. The Board of Directors may also form committees composed of general members, which may also include Directors, by resolution adopted by a majority of the Directors in office. Each such resolution shall specify the composition of and procedures for and functions assigned to each committee, and any other matters reasonably necessary to its effective operation. No such member committee shall have the authority to act for the Association. In matters requiring Association action, such committees shall make recommendations to the Board of Directors, which may adopt, adopt as amended, or reject such recommendations, at its discretion.

ARTICLE VII

CODE OF ETHICS

A. Standard of Care. All persons performing services for or on behalf of the Association, including Directors, shall do so in good faith, in a manner they believe to be in the best interest of the Association, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. All members shall act with good faith in all matters arising in any way out of their membership in the Association; "good faith" means an honest belief made with good intentions.

In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

1. One or more Officers or employees of the Association whom the Director believes to be reliable and competent in the matter presented;
2. Counsel, public accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or
3. A committee of the Board upon which the Director does not serve, duly designated in accordance with a provision in the Articles of Incorporation or Bylaws, as to matters within its designated authority, which committee the Director believes to merit confidence; so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

B. Open Meetings. All official meetings of the Board of Directors and its committees shall be open for observation by all members and their authorized agents, except as otherwise specified by law. The Board of Directors, or any of them, and all committees may meet together in informal study sessions, which do not constitute official Board or committee meetings so long as no votes are taken and no business is transacted, and no binding agreements are made regarding official actions of the Board.

C. Conflict of Interest. No member of the Board of Directors, or of any Board of Directors committee, shall participate in any vote on any subject in which he or she has a specific personal, professional, financial, or other conflict of interest. He or she may, however, participate in discussions regarding the same. When a Board or committee member has interests that present the possibility of a conflict, or the appearance of a conflict, the Board shall first consider directly the risks presented, and if it decides to approve the participation by the Director in related matters, it shall then adopt by majority vote a clear statement of the circumstances, and any safeguards reasonably required.

D. Loyalty. All members, including Directors, are encouraged to share their views and opinions. Constructive dissent can be a very valuable resource to a Board of Directors. Directors may vote in the minority on issues, and they are not required to personally endorse any Board of Directors decision or action. They may discuss their opinions freely and openly with anyone. But by accepting a Board of Directors position, each Director assumes a duty of loyalty to the Association, and each Director agrees to work within the Association processes and systems to advance his or her views or positions; and

not to either individually, or in collaboration with others, intentionally sabotage or subvert the work of the Board of Directors.

All members are encouraged to express their opinions constructively. The participation of members is essential to the work of the Association, in many ways. Members are encouraged to help directly and indirectly. However, members are also encouraged to participate in ways that are constructive, and not destructive. Criticism, with the intent to improve, can be constructive. But if participation is made in a primarily destructive context, it can harm the work of the Association. The Association relies on the help of its Directors, Officers, employees, contractors, agents, committee members, and volunteers, and each of these is entitled to serve the Association free from destructive and/or personal criticism.

Members are encouraged to support all of these in their work for the Association, which can and should include good faith suggestions for improvement offered in a reasonable and fair context. On the other hand, no member has the right to interact with any of these regarding his or her service to the Association in a way that seriously alarms, annoys, harasses, or is detrimental to him or her. The Board may adopt reasonable and fair measures that limit the ability of a member to communicate with a Director, Officer, employee, agent, contractor, committee member, or other volunteer if that member has demonstrated an inability in the past to make such communications constructive as opposed to destructive and/or personal attacks. These measures may include warnings, written and verbal; fines; exclusion from common areas and/or meetings; and any other measures reasonably calculated to protect

Association Directors, Officers, employees, agents, contractors, committee members, and volunteers from undue harassment.

E. Confidentiality. All members, including Board members, as well as volunteers, employees, agents, and contractors, shall maintain confidentiality with respect to any information they become aware of having to do with any matters involving legally protected personnel matters; consultation or communications with legal counsel; likely or pending litigation; possible violations of the governing documents involving the liability of a member to the Association; and any other matters the privacy of which is protected by law.

F. Loans. The Association shall make no loans to its Directors or Officers.

G. Audits. The Board of Directors may cause to be prepared an audit of any or all of the financial accounts or affairs of the Association at any time, and to what extent, it deems appropriate. In addition, at least annually, the Board of Directors shall cause to be prepared a financial statement of the Association. Such financial statements shall be audited where provided by law, or as directed by the Board of Directors.

H. Accounts. The funds of the Association shall be kept in accounts in its name, and shall not be commingled with the funds of any other Association, the President of the Association, or any other person responsible for custody of such funds.

ARTICLE VIII

ASSESSMENTS

A. Obligations. Each member, by accepting an ownership interest in any lot within the development, agrees to pay all assessments imposed by the

Association, as defined below. Assessments shall not be imposed against the lots that constitute common areas. No counterclaim, cross-claim, claim of set-off, or any other claim or defense, of any nature, by a member against the Association, shall excuse the payment of any assessment, or cause the delay of any collection proceeding by the Association, including a lien foreclosure action, pending the resolution of such claim(s).

B. Assessment Definition - Personal Obligation and Lien.

Assessments as defined herein shall constitute a personal obligation of each member. This personal obligation shall not pass to the member's successors in interest unless assumed by the same in writing. A successor shall be responsible for assessments which become due on and after the date of succession. In addition, assessments shall constitute a lien as specified herein against each lot subject to each such assessment, whether this lien is reduced to writing and recorded, or not. The date of each such lien shall relate back to the date of the recordation of the original restrictive covenants that apply to each lot.

C. Member Obligations, Payment Agreements. Members have the obligation to pay assessments, but the Association recognizes that individual members often face financial difficulties. The Association shall diligently collect all accounts. When an account becomes delinquent, the Association shall make reasonable efforts, within its sole judgment, to work with the member to bring the account current, including readily accepting reasonable payment plans, supported by a promissory note, where such plans agree to the amount owed and the interest rate specified by the Association, provide for payment in full of all delinquencies within a reasonable time within the discretion of the Board, and specify that all future assessments will be paid timely.

D. Foreclosure. When reasonable collection efforts are not successful, and if appropriate in the judgment of the Association, assessment liens may be foreclosed, in the manner of foreclosure of real property mortgages, with adaptations where appropriate in the judgment of the Board of Directors; provided, that a revised deficiency judgment may be entered after confirmation of sale, crediting the sale proceeds, and any payments or other credits, and debiting any post-judgment assessments, costs and attorney fees, and any other assessments as defined below; the member may stay the proceedings at any time, prior to sale, by payment to LakeLand Village of the full amount due, as defined below; the purchaser at sale shall be entitled to possession during the period of redemption, if any; after sale, the amount required to redeem shall include any and all supplemental judgment amounts and any other assessment amounts not yet reduced to supplemental judgment; and if a lot has been improved and abandoned, as defined by state law specifying procedures for the foreclosure of mortgages, upon request, a court may order that no redemption period applies upon lien foreclosure Sheriff's sale. Nonpayment of the lien provided for herein may result in foreclosure of the lien, and the homestead protection under RCW chapter 6.13 shall not apply.

E. Lien Priority. The lien of LakeLand Village Community Club for payment of all assessments as defined herein is prior to any other lien, mortgage, deed of trust, or any other encumbrance, regardless of filing date of notice of the same, with the following exceptions:

1. Divisions 1-7: In Divisions 1-7, LakeLand Village assessment liens are subordinate to the rights of any contract seller or purchase mortgagee as to a lot. This subordination only extends to the extent proceeds

from such a mortgage are for the purpose of funding the purchase price and directly related expenses. This subordination extends only to the purchase mortgage itself and no other successor entities such as refinancing mortgagees.

2. Divisions 8-12: In Divisions 8-12, LakeLand Village liens are subordinate to the lien of any first mortgage (and to the lien of any second mortgage given to secure payment of the purchase price), and to the interest of any vendor under a real estate contract not entitled to possession. This subordination extends to successor entities such as refinancing mortgagees so long as no proceeds from such a mortgage are used for other purposes.

F. Subordination Agreement. In addition, LakeLand Village Community Club may choose to subordinate its lien to any other encumbrance, when in the best interests of the Association, and consistent with the purposes of LakeLand Village Community Club as set forth herein.

G. Assessments. The following are included in the meaning of “assessments:”

1. General Annual Assessment and/or Dues. The Association shall impose a general annual assessment and/or dues on each lot or member within the development, which assessment or dues shall be imposed as specified in these Bylaws in Article IV(H) above.

2. Special Assessments. Special assessments for particular expenses may also be imposed as specified in these Bylaws.

3. Other Charges. In addition to these general and special assessments, the following charges may also be imposed, and are for the purposes of the Bylaws also considered assessments:

a. Late Fees and Interest. The Association may add reasonable late fees, as well as interest of not more than 12% per annum, compounded annually, to any delinquent account and all assessments related thereto; and

e. Expenses and Fees. Any fees, charges or expenses, as specified at Article IX(D) below, including attorney fees and all costs of proceeding, with or without litigation, in pursuit of the collection of any assessments, as defined herein, including the payment of any charges having the effect of a lien against or associated with the subject lot.

4. Application of Payments. Payments made on member accounts will be applied in the following order, unless otherwise as specified by the Association: first to the oldest delinquency whether on account of an assessment or any other amount owed to the Association; then to more recent delinquencies in order, oldest first.

ARTICLE IX

GOVERNANCE

A. Binding Rules. The rules of the Association, including the covenants, Articles of Incorporation, these Bylaws, and other Association rules and regulations, are binding on all members, as of the date that each such rule is enacted, and apply to all existing conditions and circumstances, unless otherwise specifically provided. This applies to actions of members having to do with their own lots, the lots of others, common areas, or in any way arising out of membership in or use of or presence at any lot or common area within LakeLand Village. The acceptance of an interest in title also constitutes an agreement that

the member accepts Association governing documents and rules and regulations as they exist now and may be amended in the future, for himself or herself, as well as for all family members, guests, and tenants.

The provisions of these Bylaws and other LakeLand Village governing documents are also binding on all other persons or entities who or which take any interest in any LakeLand Village lot, including use of any such lot as security for repayment; any such interests are subject to the terms of these Bylaws and such governing documents.

B. Covenant and Rule Interpretation and Construction. Where any terms of the covenants and/or other rules are unclear, the Association shall have the right, power, and authority to construe and interpret the same by providing a meaning that is reasonable and fair, and advances the purpose of the Association and the collective interests of the members.

C. Member Responsibilities and Violations of Rules. It may from time to time be necessary for legal action to be undertaken in order to correct violations of LakeLand Village covenants and/or rules, and/or to respond to claims against the Association. The Association itself may bring actions to correct such violations or, where the rule violated is a recorded restrictive covenant, any individual members may also do so. A corrective action, other claim, or response to a claim may be brought at law or in equity by the Association, and may request relief in the form of injunction, remediation, foreclosure, damages, and/or collection of assessments as defined at Article IV(H) above, or any other relief authorized by law or in equity.

A member is responsible for the condition and uses of his or her lot. This means, among other things, that if a member succeeds to ownership of a lot that

has conditions or uses associated with it that constitute violations of LakeLand Village covenants and/or rules, he or she is responsible for correction of such violations in all ways as if he or she were the owner at the time of the violations.

D. Payment of Fees, Costs and Expenses. If the Board of Directors is required to expend any funds, with or without litigation, in pursuit of the collection of any assessments, as defined herein; the assertion of or defense to any claims regarding the authority, jurisdiction or exercise of any of the powers of the Association; the assertion of or defense to any claims regarding the personal or real property of the Association; the correction of any violation of LakeLand Village Community Club restrictive covenants, Bylaws, Articles of Incorporation, rules and regulations, and/or any other governing documents; or with regard to any other dispute concerning its actions and/or powers; all expenses, including but not limited to attorney, accountant, other expert, title report and surveyor fees; and all other costs of litigation, including court and discovery expenses; and any and all other amounts reasonably expended in the process of collection, dispute resolution or correction; shall be the responsibility of and paid by the member or person or other entity responsible.

E. Limitation on Actions. No legal or equitable action may be brought against the Association or its Board of Directors, Officers, employees, agents, committee members, and/or volunteers, for failure to enforce any provisions of the governing documents or rules and regulations under any circumstances; or for mistakes made reasonably and in good faith regarding the approval or failure to approve building or other lot improvement plans.

In addition, the Board, and its Directors, undertake many responsibilities for the administration of the Association. If, in the course of its work, the

Board, or its Directors, fail to comply with administrative requirements as set forth herein or in other rules or regulations of the Association, and such failure is not the cause of substantial damage to any member(s) or the Association, then the sole remedy available to members is to make the Board aware of any related issues; the Board, or its Directors, shall then take necessary actions in good faith to reasonably cure whatever such failures require such remediation; and legal actions may not be brought for such failures without the persistent refusal by the Board or its Directors to respond as required herein, and substantial resulting damage to any member(s) or the Association.

F. Indemnification. The Association may indemnify current or former Directors or Officers, or any other person, to the maximum extent pursuant to law.

G. Limitations. The Association may not have or issue shares of stock; make any disbursement of income to its members, Directors or Officers; or loan money or credit to its Officers or Directors. The Association may pay compensation in a reasonable amount to its members, Directors or Officers for services rendered; confer benefits upon its members in conformity with its purposes; and upon dissolution, may make distributions to its members as permitted by governing law, and no such payment shall be deemed to be a dividend or a distribution of income. Conflict of interest provisions of Article VII(C) of these Bylaws apply to all determinations regarding such matters.

H. Severability. If any provision of these Bylaws is deemed illegal or without effect, the remaining provisions shall not be effected.

I. Non-Waiver. Failure of the Association to enforce any Association restrictive covenant, Article of Incorporation, Bylaw, or any other

rule or regulation against any member shall not operate, (1) to waive the right of the Association to enforce at any time the same rule or any other rule against the same or any other member; (2) to acquiesce in the future non-enforcement of the same or any other rule; (3) as the abandonment of the right to enforce the same or any other rule; or (4) to constitute any other defense to enforcement in any particular case. No member may rely on any such failure to enforce for any purpose.

J. Application of Bylaws. The provisions of these Bylaws shall apply to all circumstances existing at the time of their adoption, except when to do so would substantially impair an existing substantive vested right or interest. If such circumstances exist, the application of the provisions of these Bylaws shall be shaped to effectuate their purposes to the greatest degree possible while at the same time interfering with such rights only to the extent reasonably necessary to do so.

K. Amendments. Amendments to these Bylaws may be submitted to the membership by the Board of Directors, or by a petition of members in good standing to the Board of Directors representing twenty percent of the total votes of the Association. These Bylaws may be amended by the majority vote of the members in good standing voting at a meeting with a quorum. The effective date of each amendment shall be as specified therein.

ARTICLE X

CERTIFICATION OF AMENDMENT

A. Certification. We, the President and Secretary of LakeLand Village Community Club, certify that the above stated Bylaws were properly

adopted according to all requirements as an amendment to the Bylaws of LakeLand Village Community Club.

B. Effective Date. The effective date of these Amended Bylaws shall be and is the ____ day of _____, 20___. All provisions of these amendments shall apply to all members and circumstances subject hereto immediately upon said date, except as otherwise prohibited by law.

By our signatures hereto, we so certify.

Richard Caron
President, Board of Directors

Date

Teri Camus
Secretary, Board of Directors

Date

STATE OF WASHINGTON)
) ss.
COUNTY OF MASON)

On this ____ day of _____, 20___, personally appeared before me Richard Caron, personally known to me or provided to me on the basis of satisfactory evidence to be the President of LakeLand Village Community Club, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

Witness my hand and official seal affixed the day and year first above written.

Affiant Known _____
Affiant produced ID PRINT NAME: _____
NOTARY PUBLIC IN AND FOR THE STATE OF
WASHINGTON, residing in _____
My commission expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF MASON)

On this _____ day of _____, 20____, personally appeared before me Teri Camus, personally known to me or provided to me on the basis of satisfactory evidence to be the Secretary of LakeLand Village Community Club, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute the said instrument.

Witness my hand and official seal affixed the day and year first above written.

Affiant Known _____
Affiant produced ID PRINT NAME: _____
NOTARY PUBLIC IN AND FOR THE STATE OF
WASHINGTON, residing in _____
My commission expires: _____