

BYLAWS of the LAKEVIEW ESTATES HOMEOWNERS ASSOCIATION

<https://www.lakeviewestateshoa.org>

ARTICLE I.

Definitions. The definitions contained in the CC&Rs are incorporated by reference herein.

CC&Rs. "CC&Rs" shall mean and refer to the CC&Rs of Covenants, Conditions, and Restrictions of Lakeview Estates Homeowners Association as duly recorded in Mason County, Washington.

Personal Application.

All present or future Owners, tenants, future tenants, or their employees, or any other person who might be in the Community, are subject to the regulations set forth in these bylaws and all governing documents of the Association. The mere acquisition or rental of any of the Lots or the mere act of occupancy of any of the Lots will signify that these bylaws are accepted, ratified and will be complied with.

ARTICLE II

A. MEMBERSHIP AND VOTING

Section 1. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership, and such membership shall continue until such time as the Owner's ownership terminates, at which time his/her membership shall automatically cease.

Section 2. Voting by Member. Members shall be all those Owners as defined above. Voting rights are based on one vote per Lot owned. When more than one person holds title, all such persons collectively shall be the member (for the Lot in question). The vote shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. The Association shall be entitled to presume that any ballot tendered by one or more Owners of the Lot was the result of agreement by all other Owners.

Section 3. Record Date. Only persons who are owners of record as of the date and time of any meeting shall be entitled to vote at that meeting. In any ballot campaign, the date of record for voting purposes is seven (7) days before the ballot closes.

Section 4. Suspension of Member's Rights. Members are subject to suspension of membership rights for voting purposes and for holding a position on the Board of Directors when

their assessment payments fall delinquent by 6 (six) months, or a violation of any of the governing documents occurs.

Section 5. Majority of Owners. As used in these bylaws, the term 'majority of owners' shall mean those Owners entitled to cast fifty-one percent (51%) of the total votes.

B. MEETING OF MEMBERS AND NOTICE

Section 1. Annual Meeting. Annual meetings of the members shall be held each year as specified in the RCWs.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by a majority of the Board of Directors. A special meeting shall be called upon presentation to the Board of Directors of a written request of twenty five percent (25 %) of the membership unless the subject of the meeting is a dispute which is resolved prior to the date set or the subject is not for a lawful purpose. No action may be taken at a special meeting that does not fall within the purpose stated on the meeting notice.

Section 3. Notice of Meetings. Digital or written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call a meeting not less than thirty (30) days before such meeting. The notice shall specify the place, day and hour of such meeting. Notice for special meetings must include the purpose of the meeting. Notice of a meeting shall be deemed to be received when delivered successfully to the member's email address or physical address or forty-eight (48) hours after first-class mailing.

Section 4. Quorum. The presence at the meeting of the members entitled to cast, or of proxies entitled to cast, thirty-three and one-third percent (33 1/3%) of the votes shall constitute a quorum for any action unless otherwise provided in the Articles of Incorporation, CC&Rs, these bylaws, or by Washington law.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be executed for a specific meeting, be in writing and filed with the secretary. Every proxy shall be revocable.

Section 6. Conduct of Meetings. All membership meetings shall be conducted in a manner consistent with generally accepted procedures of parliamentary procedure. The order of business of the annual member meeting shall be as follows: (a) roll call; (b) proof of notice of meeting; (c) report of results of election of Directors; (d) reports of officers; (e) report of committees; and (f) new business.

Section 7. Minutes. Minutes shall be recorded at all meetings and available online for review by Owners in draft, summary or final form such that Members will have at least thirty (30) days from time of posting to send (by email or post) the Secretary corrections to the Annual member meeting minutes. Annual member meeting minutes shall be approved, with appropriate member corrections, at the following Board meeting.

Section 8. Communications. Digital communications consists of email and website access. Members who have consented to receive email notices and have designated in the consent the

address, location, or system to which such notices may be electronically transmitted will receive email communication for meeting notifications, ballots, and personal Architectural issues. All issues dealing with financial matters, including but not limited to dues, special assessments, fines and liens, will be done by physical mail. Courtesy communications, such as local news and website changes, will be done by email, regardless of opt-in status. Governing documents and Minutes will be available online. The ineffectiveness of a good faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting.

ARTICLE III

1. MANAGEMENT AND COMMITTEES

Section 1. Number of Officers and Directors. The business and property of the Lakeview Estates Homeowners Association shall be managed by a Board of Directors consisting of ideally eight, and not fewer than six, members. No two family members (by blood relation or by marriage) shall serve on the Board of Directors at the same time, unless representing different lots.

Section 2. Term of Office. The Directors shall serve staggered two (2) year terms. At the expiration of the initial term of office of each respective Director, his/her successor shall be elected to serve a term of two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 3 (a). Director Removal. The entire Board of Directors, or any individual Director, may be removed from office when his/her removal is approved by a majority of the members of the Association. Any vacancy created by removal shall be filled by election of the new Director(s) by the Owners. The newly elected Director will serve out the unexpired term of the replaced Director.

Section 3 (b). Director Forfeiture. If any Director misses two (2) or more consecutive Board of Directors meetings without notifying the President or the Board of Directors, which have officially been convened, that Director forfeits his/her right to remain on the Board of Directors, and the remaining Board of Directors members may declare the position of that Director vacant, by majority vote. The remaining Directors may then choose a successor from the Association membership by election among themselves to serve out the unexpired term of the Director who forfeited his/her position on the Board of Directors for failure to regularly attend Board of Directors meetings.

Section 4. Compensation. No Director shall receive compensation for any service he/she may render to the Association in his or her capacity as a Director. However, any Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties which have been approved prior to expenditure by the Board of Directors.

ARTICLE IV

A. ELECTION OF DIRECTORS

Section 1. Election. Election to the Board of Directors shall be by secret ballot using an online professional election program prior to the Annual Member Meeting. This election must stay open for at least 15 days and no more than 30 days, closing at noon the day before the Annual Member Meeting. At such election the members or their proxies may cast one vote per Lot. The persons receiving the largest number of votes shall be elected, provided that the number of votes received is at least 50% of the votes cast for the top winner. A member not personally present at the meeting but who has so cast his ballot shall be counted as present at the meeting for quorum purposes. If no quorum is met, the election is voided.

ARTICLE V

A. MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Notification of such meetings must be posted on the Association website at least thirty (30) days before said meeting. Notice shall be given to each Director, at least forty-eight (48) hours, by email, personally or by telephone, prior to the meeting if any rescheduling occurs by necessity.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than seventy-two (72) hours notice to each Director.

Section 3. Emergency Meetings. In any situation where action is needed and either a special or regular meeting will not suit the purpose, the Board of Directors may handle the action as follows: The Board member first notified shall make a good faith attempt to notify each and every other Board member and call a meeting at the earliest possible reasonable time. If it appears sufficient Board members are not available for a meeting, said contact person shall attempt to get a 'consensus' from the Board members as to the action needed, depending on the circumstances. If the Board member making the calls or emails is unable to schedule a meeting with at least a quorum present, in a reasonable time (consistent with the circumstances) the 'consensus' shall determine what action is to be taken, and shall be the subject of a request for ratification at a later Board meeting. The contact person shall make every possible attempt to achieve at least a majority 'consensus' before taking any specific action.

Section 4. Quorum. A simple majority of the number of 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 of Directors.

Section 5. Waiver of Notice. Before or at or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting or may waive notice by written approval of the Minutes, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him/her of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 6. Action Without Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all or a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors so long as reasonable attempts were made to contact all Directors prior to the action being taken. The Board will hold a vote to ratify any action taken by the Board by email vote (without a consent form, in the form of a record) at the next regularly scheduled Board meeting.

Section 7. Meetings Open to Members. All regular and special meetings of the Directors shall be open to all Members of the Association; provided, however, that Members who are not Directors may not participate in any deliberation or discussion unless expressly authorized by the Board. If a non-Director member is present, the Board is encouraged to allow time in the agenda for Member Input.

Section 8. Executive Session. The Board may go into executive session to address legal matters, contracts, disciplinary hearings, employee matters, repayment plans, foreclosures and/or matters of a particularly sensitive nature involving rights to confidentiality. Members do not have a right to attend executive sessions, unless it is for a request for their own repayment plan or requested by the Board. However, the Board may invite others to be present for an executive session meeting, such as lawyers or vendors.

ARTICLE VI

A. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) Conduct, manage and control the affairs and business of the Association and to adopt rules and regulations consistent with the CC&Rs relating to use of the Community Lake Access, parking restrictions, etc., and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights and right to use of the Community Lake Access of any member during any period in which such member is in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for any infractions of published rules and regulations for a period of thirty (30) days or for as long as the infraction persists;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by official provisions of these Bylaws, the Articles of Incorporation, or the CC&Rs;
- (d) Select all officers, agents, a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;
- (e) Levy, collect and enforce assessments by any means provided in the CC&Rs and by Washington law;
- (f) Place liens;

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(g) Levy fines according to the attached Fines Schedule for violations of these Bylaws, CC&Rs, and any other governing documents;

(h) Sue others, in the name of the Association, and sue Owners to collect delinquent assessments or cure a violation of any restrictions, covenants, conditions, rules or regulations of the Association;

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;

(b) Delegate powers to committees, officers or employers and supervise all officers, agents, contractors and employees of the association and to see that their duties are properly performed;

(c) As more fully provided herein, and in the CC&Rs:

(1) Send notice of each increase in regular assessment or imposition of special assessment to every Owner subject thereto at least thirty (30) days before the increase or assessment becomes due;

(2) In its discretion, foreclose a recorded lien against any properties for which assessments are at least sixty (60) days delinquent, or to bring an action at law against the Owner personally obligated to pay the same;

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person or entity entitled to receive that information, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability insurance for all Board members, the road easements and Lake Erdman.

(f) Cause the Community Lake Access and roads to be maintained as provided more fully in the CC&Rs;

(g) Cause all fees for a non-profit association to be paid when due;

(h) To schedule all Board of Director meetings and the Annual member meeting for the following year at the first Board meeting following the Annual Member Meeting.

(i) Fulfill the annual financial reporting requirements of the Washington State RCW 64.90.525.

(j) Enforce applicable provisions of the Covenants, Conditions and Restrictions, Bylaws and Articles by any lawful means or procedures, as deemed in the best interests of the Association.

Section 3. Prohibited Acts. The Board shall not take any of the following actions, except with the vote or written consent of a majority of the voting power of the Association:

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(a) Entering into a contract with a third person wherein the third person will furnish goods or services for the Association for a term longer than one year.

(b) Entering into any management agreement for the properties which is not terminable by the Association in sixty (60) days or less with or without cause, upon written notice thereof. The term of any such agreement may not exceed one year.

(c) Filling a vacancy on the Board of Directors created by removal by members of a Director. Such vacancy must be filled by election by the members.

ARTICLE VII.

A. OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Office. The officers of this Association shall be a President, Vice President, a Secretary, and a Treasurer, all of whom shall, at all times, be members of the Board of Directors, and such other officers as the Board may, from time to time, by resolution create including, but not limited to Assistant Secretary, Assistant Treasurers, or additional Vice Presidents.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Officers' Terms. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year, unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to save.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the 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. The Board may, at any time, change or end any part of any and all Special Appointments.

Section 5. Resignation and Removal. Any officer may be removed by the Board from office only with cause, including but not limited to, failure to perform their office duties. Any officer may resign at any time giving written or email notice to the Board, the President or the Secretary. 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 by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

Section 7. Multiple Offices. No person shall simultaneously hold more than one of any of the offices.

Section 8. Duties. The duties of the officers are as follows:

(a) PRESIDENT

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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 and may co-sign all checks and promissory notes.

(b) VICE PRESIDENT

The Vice President shall have the authority to act in the place and stead of the President in the event of his/her absence, or inability to act, and shall exercise and discharge such other duties as may be required of him/her by the Board, and may co-sign all checks written on behalf of the Association.

(c) SECRETARY

The Secretary shall record the votes and keep the Minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; notify members when meeting minutes are available for review; keep appropriate current records showing the members of the Association together with their mailing addresses, phones and email addresses, may co-sign all checks written on behalf of the Association and shall perform such other duties as required by the Board.

(d) TREASURER

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and may disburse such funds as directed by resolution of the Board of Directors; may co-sign all checks and promissory notes of the Association; keep proper books of account; produce a quarterly statement of income and expenditures to be presented to the Board at the quarterly meetings; produce a year-to-date statement to be presented to the membership at its regular annual meeting; and may prepare an annual budget. If the Association engages the services of a CPA or managing agent to undertake any of these tasks, the treasurer is relieved of those specific duties delegated to such person or entity.

ARTICLE VIII

A. COMMITTEES

Section 1. Committee Formation. The Board shall appoint an Architectural Committee, as provided in the CC&Rs, and a Road Maintenance Committee. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose. The Board shall review and reappoint all committees at the first Board Meeting after the Annual Member Meeting.

Section 2. Conflict of Interest. A Board of Directors member must abstain from voting on or making any decisions with respect to any matter or issue coming before the Board or committee, if said member has a personal interest in the matter or issue.

Section 3. Fiscal Decisions. A committee cannot make fiscal decisions. It may only act to carry out Board-directed decisions.

ARTICLE IX

BOOKS AND RECORDS

The Articles of Incorporation, CC&Rs, Bylaws, Fines Schedule, Architectural Guidelines and any other governing documents, meeting minutes and members name and address information shall be available online on the HOA website. The books of accounting shall be generally subject to inspection by any member during reasonable business hours and upon reasonable written notice and request (stating a purpose therefor). The Board reserves the right to deny access or inspection or otherwise exempt from general legal rights of inspection by the members. Directors have an absolute right of inspection of all books and records of the corporation.

ARTICLE X

ASSESSMENTS

As is provided in the CC&Rs, each member is obligated to pay to the Association annual, special, and other 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 and subject to late fees and/or interest as more fully provided in the CC&Rs. As more fully provided therein, the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Community Lake Access or abandonment of his/her Lot.

ARTICLE XI

AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors at any regular or special meeting of the Board. Members may also make, alter, amend and repeal Bylaws of the Association at any Annual Meeting or at a special meeting called for that purpose; and all Bylaws made by the Board may be amended, repealed, altered or modified by the members at any regular or special meeting called for that purpose.

ARTICLE XII

CONFLICTS

In the case of any conflict between the CC&Rs and these Bylaws, the CC&Rs shall control.

ARTICLE XIII

NOTICES

Any notice permitted or required to be delivered as provided herein may be delivered personally (which includes delivery to the residence), by first-class mail, or by email to the email address supplied to the Association by the Member. If delivery is made by mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed to each such person at the address given by such

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person to the Board of Directors for the purpose of service of such notice or to the residence site of such person if no address has been given to the Board of Directors. If delivery is made by email, it shall be deemed to have been delivered by the email sent date for the Association email. If the email address fails, it is still considered delivered, since it is the responsibility of the Owner to keep contact information current and accurate.

ARTICLE XIV

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31th day of December every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XV

INDEMNIFICATION

To the full extent permitted by the Washington Nonprofit Corporation Act, the Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any civil, criminal, administrative or investigative action, suit or proceeding (whether brought by or in the right of the Association or otherwise) by reason of the fact that he is or was a Director or Officer of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding; and the Board of Directors may, at any time, approve indemnification of any other person which the Association has the power to indemnify under the Washington Nonprofit Corporation Act. The indemnification provided by this paragraph shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract.

The foregoing Bylaws were adopted on the 28th day of June 2020