

LAKE OF THE WOODS COMMUNITY CLUB
AMENDED BYLAWS
June 2020

MISSION

The mission of the Corporation shall be to enforce the Protective Covenants and Restrictions for the Lake of the Woods Community Club, maintain its water system, maintain and improve the common areas, and enhance the Lake of the Woods community. The Non-Profit Corporation shall be managed as outlined by the Articles of Incorporation, these Bylaws, and in accordance with RCW 24.03 and other applicable statutes.

The Board of Directors shall be elected to manage the Corporation, maintain, and supervise the use and care of the common areas of the seven sub-division plats as recorded in the Pierce County Auditor's Office, which comprise the Lake of the Woods community. The Board of Directors shall have the authority to collect the pro-rata share of community and water assessments for each lot as authorized by the Protective Covenants and Restrictions.

The cost of the community water system and recreational area equipment shall be constructed, improved and maintained by a non-profit corporation to be composed of all owners of the lots in Lake of the Woods and any additional plats as may be designated by the developers of the aforesaid land and additions.

ARTICLE I
MEMBERSHIP

Section 1 - Qualifications:

Membership in the Lake of the Woods Community Club shall be based upon ownership of one or more of the original lots as listed by lot number in the pertinent plats and deeds recorded at the Pierce County Auditor's Office and consisting of the original Three Hundred Fifty Four (354) residential lots within the seven divisions. Each original lot has been improved with a water connection capability. All property owners and purchasers of each lot shall become a Member of the Lake of the Woods Community Club upon taking legal title and shall thereby be subject to its Protective Covenants and Restrictions, its Articles of Incorporation, its Bylaws and pro-rata share of maintenance of the community owned areas and the pro-rata share of the operation of the Lake of the Woods water system, and other assessments as may be authorized by the Board of Directors.

Section 2 - Rights:

Each Member is entitled to use the common areas, and receive water from the corporate owned water system. Each numbered lot that is current on payment of community and water assessments, fines,

penalties and interest shall be entitled to one (1) vote for all business that comes before the Membership.

Section 3 - Assessments:

Annual assessments shall be levied against each numbered lot for the maintenance and improvement of the community common areas and other generalized necessities, including, but not limited to, the water system. All funds collected as assessments for domestic water services shall be disbursed only for expenses and maintenance of the water system. All funds collected for community assessments shall be disbursed only for maintenance of the community owned properties and corporate expenses, excluding the water system. Water and community assessments shall be maintained in separate accounts. Each numbered lot shall be billed at least once per year in January based on the most recently ratified budget pursuant to the procedure set forth herein. The owner(s) of the lot shall be responsible for payment of all assessments. Accounts shall become delinquent after thirty (30) days of non-payment and subject to interest, fines and penalties as determined by the Board of Directors. Assessments, fines, penalties and/or interest delinquent for more than one year shall constitute a lien against the lot of the defaulting Member(s) and shall be fully enforceable under the laws of the State of Washington. Any lot owner delinquent in payment shall also have suspended, during the period of default, the following rights of Membership: the use of the common areas, the right to participate in any community funded activity, the right to participate in governance of Lake of the Woods, the loss of voting rights, and the right to receive water service as determined by the Board Of Directors. The Board may also levy fines, impose penalties, and assess interest for a default in payment under this paragraph. The Board of Directors shall establish separate guidelines and standards to establish in detail operational provisions of the water system, the maintenance of the common areas and the levy of interest, penalties and fines as authorized in these Bylaws.

Within thirty (30) days after adoption of any proposed budget the Board shall provide a copy of the budget to the Membership and set a date for the Membership to consider ratification of the budget not less than fourteen (14) days or more than fifty (50) days after providing the budget. Unless a majority of the Members voting at the meeting reject the budget, the budget and the assessments against the lots included in the budget are ratified, whether or not a quorum is present. The budget must include the enumerated items set forth in RCW 64.90.525(2)(a)-(f). Line item budget changes or release of reserve funds to the budget throughout the calendar year must be approved by the Board and ratified by the majority of the Members at a duly convened Membership meeting.

The Board may propose a special assessment at any time. The special assessment is effective only if the Board follows the procedures for ratification of a budget described in this Section, and the Membership does not reject the proposed assessment. The Board may provide that the special assessment may be due and payable in installments over any period it determines and may provide a discount for early payment.

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Section 4 - Quorum

At the scheduled meetings or any special meetings called for the Corporation ten percent (10%) of all eligible voters in attendance, including absentee ballots, shall constitute a quorum. There shall be one (1) vote per lot number.

Section 5 - Voting Rights:

Each lot owner whose water and community assessments are current within ten (10) days prior to the meeting date shall be entitled to vote either in person or by absentee ballot at any scheduled or special meeting and to run for elected office.

Section 6 - Absentee Ballots:

Absentee ballots shall be accepted for election of the Board of Directors and for any Board motion presented in writing at least fifteen (15) days prior to the meeting. Absentee voting by written ballot shall be allowed and shall be counted toward the quorum. Each Director shall be elected by a majority vote of ballots submitted by the Membership of the Corporation. Ballots, when mailed with the notice of the Annual Meeting, may be given to any Director, mailed to the corporation at Lake of the Woods Community Club, P.O. Box 579, Wauna, WA 98395 prior to the election, or otherwise voted on by the eligible Members at the Annual Meeting.

Each eligible lot number is entitled to vote for all division vacancies and the members-at-large. The absentee ballot shall be received by the Secretary of the Corporation prior to the start of the Membership meeting. The Secretary shall retain the absentee ballots for eleven months following the Annual Meeting or any Membership meeting.

Section 7 - Expulsion:

No Member may be expelled from the Lake of the Woods Community Club nor shall any lot number have voting rights suspended if said Member/lot number is current on all assessments, fines, penalties and interest.

**ARTICLE II
MEETINGS**

Section 1 - Annual Meeting:

The Annual Meeting of the Membership shall be held the first weekend available in the month of November before the beginning of the calendar year on January 1.

Section 2 - Special Membership Meetings:

Special meetings of the Membership may be called from time to time at the discretion of the Board of Directors, or any two (2) Directors, or by petition signed by ten percent (10%) of the eligible voting Membership. Written notice of each meeting shall be sent to the Membership not less than fifteen (15) days prior to the date of the meeting addressed to the Members' address last appearing on the books of the corporation for the purpose of notice. Such notices shall specify the place, day and hour of the

meeting and include an agenda listing all matters to be discussed or voted upon and the exact wording of all motions and amendments. Included in the mailing for the Annual Meeting shall be the proposed budget for Membership ratification as well as a financial report. A slate of open Director positions as proposed by the Nominating Committee shall be included along with the absentee ballot, which is to be returned to any director or mailed to the corporation at Lake of the Woods Community Club, P.O. Box 579, Wauna, WA 98395 prior to the Annual Meeting, or voted on in person by the eligible Member at the Annual Meeting.

Section 3 - Board Meeting Prior to Annual Meeting:

The Board of Directors shall hold a meeting to prepare for the Annual Membership Meeting. Such meeting shall occur no less than two months prior to the Annual Membership meeting and the Board shall, at minimum prepare an agenda for the Annual Meeting, approve a proposed budget for submission to the Membership for ratification at the Annual Meeting, propose any motions with the exact wording for voting by the Membership at the Annual Meeting, discuss and accept a financial report for presentation to the Membership at the Annual Meeting, prepare and approve a slate for election of Directors, and prepare a list of major tasks completed by the Board of Directors.

ARTICLE III
BOARD OF DIRECTORS
MANAGEMENT

Section 1 - Responsibilities:

The Board of Directors shall manage the business and affairs of the corporation and Membership between regular Membership meetings, determine the time and the place of all meetings, make recommendations to the Membership, and shall perform such other duties as contained in these Bylaws.

Section 2 - Composition:

The Board of Directors shall consist of no less than five (5) and not more than fifteen (15) Directors with at least one (1) representative elected from each of the seven divisions, if possible, plus up to (8) eight members-at-large. Each Director shall serve for two years except members-at-large who shall serve for one (1) year. Directors may serve for more than one term. The Maximum number of Directors that may be elected from any one division is limited to three (3).

Section 3 – Qualifications:

To qualify for election a Member's assessments, fines, penalties, and interest must be current, and must remain current throughout the term of office. Directors must be residents of the Lake of the Woods community. Only one Member from any numbered lot may serve on the Board of Directors or on a Membership elected committee per term.

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Section 4 – Election:

A majority vote present at a Membership meeting shall elect the Board of Directors whether the vote is in person at the annual meeting or by absentee ballot submitted to the secretary prior to the start of the Annual Meeting. To be elected, the person seeking office must obtain at least 10% of the votes cast in the election.

Section 5 - Election of Officers:

After announcement of the elected Board of Directors at the Annual Membership Meeting and within two weeks of the election, a special meeting shall be called for the newly elected Board to elect a President, two Vice-Presidents, Secretary and Treasurer. Election shall be by written ballot. The newly elected Board of Directors and Officers shall assume office at the start of the new calendar year on January 1. Both outgoing and current Directors must transfer all data and materials to the new officers before January 1.

Section 6 – Board Meetings:

There shall be one (1) Board of Directors meeting each month. The President or any two Members of the Board of Directors may call a special meeting with a minimum notice of twenty-four (24) hours to the Directors and the Community Members. Notification will be by posting signs on all three roads into Lake of the Woods community. Minutes from the previous meeting and an agenda for the upcoming meeting shall be available from the Secretary for each Director at least five (5) days prior to a regularly scheduled Board meeting and available to Community Members at the Board meetings.

Section 7 - Board Voting:

All voting by the Board of Directors shall be in person with attendance and non-attendance recorded by the Secretary. Neither voting by proxy, nor a telephone poll or electronic poll shall be allowed. Board voting may be amended in the case of a governmental emergency proclamation or mandate. All Board members shall be privy to any discussion prior to any action. Closed meetings shall be allowed for confidential discussions as specified by RCW 64.38.035, but all decisions and voting must be conducted during open session only.

Section 8 - Board Vacancy:

Any vacancy of a Director by reason of death, resignation, removal or due to repeated absences shall be filled by the remaining Board of Directors. A prior Director may be reinstated for the balance of the current year if approved by the majority vote of the current Board of Directors. When only one representative is from a division and that position becomes vacant, the entire division must be polled for a new Director before the Board may appoint a non-division replacement. Such an appointee shall serve until the conclusion of the calendar year.

Section 9 – Attendance:

An absence, consecutive or nonconsecutive, from any three regularly scheduled monthly Board of Directors meetings per year shall result in immediate removal of the Director from the Board for which prior notice shall not be required. No excuses shall be accepted.

Section 10 - Quorum and Voting:

A quorum shall be a majority of Directors currently serving on the Board. A quorum must be present at the start of each Board of Directors meeting before any business may be conducted. Each Member shall possess one (1) vote on all matters coming before the Board of Directors. The affirmative vote of a majority of the Directors present is the act of the Board of Directors unless the Articles of Incorporation or Bylaws require a greater number. The presiding officer may use his/her vote only in case of a tie.

Section 11 - Reserve Account and Reserve Study:

The Board shall maintain and administer a capital reserve fund for the water system and a capital reserve fund for the community owned areas for any future needs or emergencies. The reserve accounts shall be in the name of the corporation.

Unless the cost of a reserve study or the annual updates required by State law exceed ten percent (10%) of the association's annual budget a reserve study must be prepared and updated in accordance with RCW 64.90.545 through RCW 64.90.560 and any subsequent revisions or updates thereto.

Section 12- Right to Indemnification:

Each person who was or is made a party to or is threatened to be made a party to, or is a named defendant or respondent in a proceeding, or is involved, including without limitation, as a witness in any actual, threatened, pending or completed, action, suit or other proceeding whether civil, criminal, administrative or investigative and whether formal or informal to which he or she is made a party by reason of being, or having been a Member of the Board of Directors of the Corporation, shall be indemnified and held harmless by the Corporation if that person is or was a Director, officer, employee, agent or acting in any other capacity duly authorized by the Corporation and was/is acting in the proper performance of his/her duties on behalf of the Corporation. Likewise, a person shall be indemnified if, being or having been such a Director or officer or other aforementioned individual, he or she is/was serving at the request of the Corporation as a Director, officer, employee or agent of another association or of a partnership, joint venture, trust, or other enterprise, including service with respect to employee benefit plans. The Corporation shall indemnify and hold harmless to the full extent permitted by applicable law as then in effect, against all expenses, liability and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA, excise taxes, or penalties and amounts to be paid in settlement) actually or reasonably incurred or suffered by such person in connection therewith. Such indemnification shall continue as to a person who has ceased to be a Director, officer, employee, or agent and shall inure to the benefit of that person's heirs, executors, assigns and administrators. No indemnification shall be provided under this Article to any such person if the Corporation is prohibited by the nonexclusive provisions of the Washington Business Corporation Act or other applicable law as is then in effect from paying such indemnification conferred in this section. The right to indemnification conferred in this Article shall be a contract rights and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided however, that the payment of such expenses in advance of the final disposition of the proceeding shall be made to or on behalf of a Director or officer only upon delivery to the Corporation of an undertaking, by or on behalf of such Director or officer, to repay all amounts so advanced if it shall

ultimately be determined that such Director or officer is not entitled to be indemnified under this Article or otherwise, which undertaking may be unsecured and may be accepted without reference to financial ability to make repayment.

No right to indemnification is allowed in matters in which a person is made a party by reason of being, or having been a Member of the Board of Directors of the Corporation if the party is adjudged in such action, suit or proceeding to be liable for breach of trust or misconduct in the performance of duty.

Section 13 - Effect on Other Rights:

The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of Members of disinterested Directors or otherwise.

Section 14 - Insurance:

The Corporation may maintain insurance at its expense, to protect itself and any Director, Officer, employee or agent of the Corporation or another association, partnership, joint venture, trust or other enterprise against any expenses, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Washington Business Corporation Act. The Corporation may enter into contracts with any Director or officer of the Corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

Section 15 - Advance Payment:

The Corporation may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the Corporation with the same scope and effect as the provisions of this Article, grant rights of indemnification and advancement of expenses to Directors and Officers of the Corporation, or as such rights are granted by the Washington Business Corporations Act or otherwise.

Section 16 – Compensation:

No officer or Director shall be compensated for work performed on behalf of the Corporation. Compensation is defined as waiver of any assessment, cash or property. Notwithstanding the foregoing, any officer or Director may be compensated for materials and supplies purchased for the Corporation with the proper submission of receipts and approval of the Board of Directors. No officer or Director shall use his/her business as an independent contractor to perform contracted assignments for Lake of the Woods Community Club.

Section 17 - Calendar Year:

The calendar year shall be January 1 through December 31. Community and Water System assessments shall be billed by January 1 each year.

Section 18 – Removal of Director:

Directors shall be automatically removed without exception under two conditions: (1) Director has missed any three (3) monthly scheduled Board meetings per year; and (2) failure to comply with conditions of suspension (suspension is a maximum of three months of non-payment of assessments). A Director may be removed from the Board of Directors with, or without, cause by a majority vote of the eligible Membership present at any Membership Meeting or any special meeting called for the purpose of removing the Director and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the Director.

**ARTICLE IV
OFFICERS**

Section 1 - Election of Officers:

Following the election of the Directors at the Annual Membership Meeting the Board shall elect from within their membership a President, a First Vice President, a Second Vice President, a Secretary and a Treasurer. All such officers shall be known as the Officers of the Board of Directors and Officers of the Corporation. Directors shall serve only one (1) officer position at any one time. A vacancy in any office may be filled by immediate election by the Board. The officer elected to such vacancy shall serve for the remainder of the term of the officer who is replaced.

Section 2 - Officer Terms:

If at all possible the office of President shall have served on the Board for twelve (12) consecutive months prior to election. All other officers, if at all possible, shall have served on the Board for twelve (12) consecutive months. The officers shall be elected annually by the Board and each shall hold office for one (1) year, unless the officer resigns or is removed, or is otherwise disqualified to serve.

Section 3 - Duties of the President:

The President shall serve as the chief executive officer of the Board of Directors and the Corporation and is subject to the direction and control of the Board of Directors, shall have general knowledge over its property, business and affairs. He/she shall preside at all meetings of the Board of Directors and meetings of the Membership. The President shall see that orders and resolutions of the Board are carried out.

Section 4 - Duties of the First Vice President:

The First Vice President shall act as President in the President's absence, inability or refusal to act. He/she shall monitor the accountability of the state licensed water manager, shall advise the Board of Directors of all problems and concerns relating to the operation of the water system, and adherence to the statutes, rules and regulations of Washington State regarding operation of the water systems, health and water quality. The First Vice President shall monitor contract compliance of the state licensed water manager, and shall receive complaints and concerns pertaining to the water system. He/she shall assist the licensed water manager in preparing reports to the Membership and to the Board of Directors,

assist in the annual mailing of water test results, and shall collect a monthly report signed by the water manager for review with the Board of Directors. He/she shall be responsible for maintenance and supervision of grounds within the compounds of the water system and shall submit budget needs to the Board of Directors. He/she shall act under the supervision of the Board of Directors and perform any other duties as they may direct.

Section 5 - Duties of Second Vice President:

The Second Vice President shall act as President in event of the absence or inability or refusal to act of the President and First Vice President. He/she shall monitor the accountability of the contracted personnel responsible for the maintenance of the parks, common area grounds, greenbelts and the lake (Doyle Pond). The Second Vice President shall advise the Board of Directors of all necessary maintenance of all community owned properties not relating to the water system, and shall submit budget needs to the Board of Directors for such maintenance. He/she shall ascertain the safety needs for the Community/common property, and shall report needs and concerns to the Board of Directors. He/she shall act under the supervision of the Board of Directors and perform any other duties as they may direct.

Section 6 - Duties of the Secretary:

The Secretary shall keep the minutes and record the votes of all Board of Directors meetings and Membership meetings and proceedings, provide copies to the Membership when requested, and present minutes at the next scheduled meeting. In addition, the Secretary shall create and maintain the following: a numerical file of all motions, files of committee reports, absentee ballots, a file of all official records for the life of the Corporation, a current official Membership list and mailing list, attendance records of all meetings, and a record of all incoming and outgoing correspondence. In addition, the Secretary shall maintain a record book with current, certified and approved copies of the Protective Covenants and Restrictions, the Articles of Incorporation, the Current Bylaws, any special rules or regulations, standing rules, or other guidelines enacted by the Board of Directors, together with all rules and regulations for the water system. Members may request copies of Corporation records, but they shall be responsible for a charge of ten (10) cents per page plus the cost of mailing. He/she shall prepare for mailing the annual report to the Secretary of State before the due date. He/she shall act under the supervision of the Board of Directors and perform any other duties as they may direct.

Section 7 - Duties of the Treasurer:

It shall be the duty of the Treasurer to supervise the keeping of all financial records of the Corporation. By action of the Board of Directors the bookkeeping duties may be transferred to a person(s) or firm capable of performing such service and whose compensation for such services is to be determined by the Board of Directors. The Treasurer shall serve as the monitor of accountability if using a bookkeeping service. As such, the Treasurer shall be responsible to transfer all payable and receivable documents to the bookkeeping service. In addition, the Treasurer shall see that all expenditures have been approved by the vote of the Board of Directors before mailing or paying any firm or individual. The Treasurer shall submit to the Board of Directors each month the following reports: Profit and Loss Statement, Balance Sheet, Current expenditures, current accounts receivable and the report of expenditures to budgeted

amounts. In addition, the Treasurer shall maintain a current list of all property owned (real or tangible) by the Corporation, and assemble all records for submission to a certified public accountant for annual audit and preparation of annual income taxes. The Treasurer shall initiate a list of names for liens for presentation to the Board for all properties in the Corporation where Members are one year past due on assessments or are \$500.00 or more in arrears. All checks must have two signatures. Checks must be signed by any two of the officers as listed on the bank signature cards. The Treasurer shall be a member of the Budget Committee. The Treasurer shall act under the supervision of the Board of Directors and perform any other duties as assigned by the Board of Directors.

Section 8 - Officers Meeting:

The officers of the Board of Directors may meet from time to time to ascertain problems to be brought to the attention of the Board of Directors. The officers shall not be empowered to act for, or as, the Board of Directors.

Section 9 - Document Verification:

Any and all written documents, permits, licenses, statements and correspondence pertaining to the Corporation shall have signature of two officers, and those signatures shall be rotated.

Section 10 – Removal of Officers:

Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written 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.

**ARTICLE V
COMMITTEES**

Section 1 – Composition:

The Board of Directors shall appoint ad hoc and/or standing committees from time to time as deemed necessary to carry on the work of Lake of the Woods Community Club. The President shall be an ex officio member of all committees except the Nominating Committee and the Architectural Committee. The President may not serve as chairperson of any committee.

Section 2 – Powers:

Power of each committee shall be limited to investigate, deliberate, advise and report to the Board of Directors with recommendations for adoption. No committee shall have the ability or authority to act for the Board of Directors. Each committee shall keep minutes of its meetings and assemble documents upon completion to be included in the official documents of the Corporation as maintained by the Secretary. All committee discussion and business is private.

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Section 3 - Members:

Each committee member, once appointed, may not be expelled from the committee without the authorization of the Board of Directors. Each committee must have one (1) Board of Director member serving.

Section 4 - Standing Committees:

The following standing committees shall be appointed at the beginning of the calendar year after election of Board members and Officers: a Budget committee, a Newsletter committee, a Nominating committee, a Community Special Events Committee, and a Compliance Committee.

Section 5 -- Architectural Committees:

The Architectural Committee, which shall not exceed three (3) Members, shall be elected by the Membership to monitor new construction and remodeling in the Lake of the Woods' community as set forth in the Protective Covenants and Restrictions and shall present to the Board of Directors a quarterly update and a report to the Membership at the annual meetings. Each elected member shall serve four (4) years. The Membership shall indemnify each member of the Architectural Committee against expenses actually and necessarily incurred, in connection with the defense of any action, suit or other proceedings to which he or she is made a party by reason of being, or having been a member of the Architectural Committee, except in relation to matters as to which he or she shall be adjudged in such action, suit or proceeding to be liable for breach of trust or misconduct in performance of duty.

Section 6 - Budget Committee:

The Budget Committee shall prepare a budget for the calendar year, which is to become effective the first day of the calendar year. The membership of the Budget Committee shall include, in addition to any community Members, at least two (2) and no more than four (4) Directors. The proposed annual budget shall be presented to the Board of Directors for approval prior to the Annual Meeting. Once approved by the Board, the budget shall be submitted to the Members for ratification as set forth in Article 1, Section 3 of these Bylaws.

Section 7 - Newsletter Committee:

The Newsletter Committee shall be appointed by the Board of Directors to periodically write, edit, and distribute a Newsletter to the Membership. Each Newsletter edition is to be approved by the Board of Directors prior to distribution. The Newsletter may be included with other mailings and/or billings.

Section 8 - Nominating Committee:

The Nominating Committee shall prepare a list of nominees for the Annual Meeting as well as prepare a list of eligible candidates whenever a vacancy occurs on the Board.

Section 9 - Community Special Events:

The Community Special Events Committee shall prepare plans for any community event as approved by the Board of Directors, which shall include the Annual Meeting.

Section 10 – Compliance Committee:

The Compliance Committee shall oversee the implementation of, and the adherence to, the Protective Covenants and Restrictions, the Bylaws, and any other rules, regulations, or procedures set forth in the governing documents and/or approved and adopted by the Board of Directors. The Compliance Committee shall make recommendations to the Board of Directors as to assessing fines or penalties for violation of the governing documents. The Board of Directors shall have the final vote on whether fees or penalties will be assessed against any lot owner for their failure to comply with any terms or provisions of any governing documents. The fees, fines or penalties shall be in the amount approved by the Board and set forth in the most current Lake of the Woods Community Club Rules, Regulations and Fees for Water Distribution and Service and Community Property Maintenance.

ARTICLE VI

DUTIES AND AUTHORITY OF BOARD OF DIRECTORS

Section 1 – Powers:

The Board of Directors shall have the power to take the following actions:

- a. Suspend the voting right or other rights identified herein of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the corporation or is in material breach of any covenant contained in the Protective Covenants and Restrictions. The Board shall also have the power to levy fines, penalties and interest in accordance with guidelines established by the Board for failure to timely pay assessments or for a material breach of the Protective Covenants and Restrictions. If payment of fines is not received within thirty (30) days of levy, such delinquent fines may be recorded as a lien against the property in question of the subject Member.
- b. Exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, the Protective Covenants and Restrictions and/or applicable Washington State laws.
- c. Declare the office of a Member of the Board of Directors to be vacant. A successor shall be appointed pursuant to Article III, Section 8 of these Bylaws.
- d. As necessary to pursue the Corporation responsibilities, employ, discharge or contract with an independent contractor, or such other employees as they deem necessary, and to prescribe their duties. The Board of Directors shall approve all contracts before signing by the officers and the contractor.
- e. Enforce all covenants, restrictions and conditions of the Protective Covenants and Restrictions which enforcement power in no way reduces, or restricts the power of any Member to enforce such covenant, nor does it require enforcement unless the Board of Directors and/or the Architectural Committee deems such enforcement necessary.
- f. In the absence of a current and valid Architecture Committee the Board of Directors shall act in its place and stead.

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Section 2 – Duties:

It shall be the duty of the Board of Directors to perform the following acts:

- a. Keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members present and entitled to vote.
- b. Supervise all officers, agents, and employees of the Corporation, and see that their duties are properly performed.
- c. As set forth more fully in the Protective Covenants and Restrictions and in addition to duties set forth in Protective Covenants and Restrictions, to:
 - (i) Adopt an annual budget as provided in RCW 64.90.525 and Article 1, Section 3 of these Bylaws.
 - (ii) Impose assessment for community expenses/corporate water system and specially allocated expenses on lot owners as provided in RCW 64.90.080(1) and RCW 64.90.525.
 - (iii) Annual assessment increases, if any should not exceed ten percent (10%) for community expenses or twenty percent (20%) for water expenses, unless otherwise indicated by these Bylaws.
 - (iv) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period.
 - (v) At the discretion of the Board of Directors, file a lien for delinquent assessments or unpaid fines if the assessment or fine is not paid within one year after default.
 - (vi) At the discretion of the Board of Directors and when deemed necessary, may foreclose upon the lien according to the laws of the State of Washington.
 - (vii) Establish and administer a reserve account as described in RCW 64.90.535.
 - (viii) Commission the preparation of a reserve study as described in RCW 64.90.545.
- d. Issue, or to cause an appropriate officer to issue, upon demand by any authorized person a statement signed by the Treasurer setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such statement. If a statement states an assessment has been paid, such statement shall be conclusive evidence of such payment.
- e. Enforce covenants as provided in the Protective Covenants and Restrictions when deemed necessary by a vote of a majority of the Directors which enforcement power is in addition to the powers of enforcement of any individual Member. Such Corporation powers of enforcement shall include, but not be restricted to the levy of fines and penalties, as established in guidelines to be established by the Board of Directors, for infractions which are in material breach of any covenant contained in the Protective Covenants and Restrictions when deemed necessary by the Board of Directors and/or the Architectural Committee. Reasonable attorney's fees and costs are recoverable by the prevailing party in any such action.
- f. Procure and maintain liability and hazard insurance.
- g. Maintain common areas and the community water system.
- h. Perform any and all other functions, which are necessary for maintenance and continuance of the Corporation.

- i. Every Board Member shall serve on at least one committee per year as such committees are established elsewhere in these Bylaws. Every Director shall communicate regularly with the Members of his/her division. The Board of Directors shall monitor the composition and activity of the committee members.
- j. In all cases each Director and each Officer shall act under the supervision of the Board and shall perform any other duties as they may direct.

ARTICLE VII MEMBERS OBLIGATIONS

Section 1 - Right of Enjoyment:

Except as otherwise provided for in the Bylaws, Articles of Incorporation or Protective Covenants and Restrictions, each Member shall be entitled to the use and enjoyment of the common areas and facilities. Any Member may delegate his/her rights of enjoyment of the common areas and facilities to the members of his/her family who reside on the property. These delegated rights and privileges are subject to the same rules of suspension as those of the Membership. All lots in the Plat shall be used for residential or recreational purposes only. No businesses may be operated on any lot or any portion of a lot, without prior approval of the Board, judged on a case by case basis.

No noxious or offensive activity shall be carried on upon any lot, private or community, or any part of any lot, nor shall anything be done or maintained thereon which may be or become an annoyance or nuisance to the neighborhood and/or interfere with other Member's right of enjoyment.

Section 2 - Mobile Homes:

Any mobile home, prefabricated home or manufactured home must be classified as "doublewide" or larger in order to be placed on property in Lake of the Woods. All such units shall comply with the State of Washington and Pierce County building codes or other pertinent regulations/statutes. Used or pre-owned units must be pre-approved by the Architectural Committee before placement.

Section 3 – Trees:

There shall be no cutting of trees on or within the greenbelts, parks or any common areas owned by Lake of the Woods without prior approval of the Board of Directors. A fine for cutting of trees on Lake of the Woods owned property without approval shall be five hundred dollars (\$500.00) per tree. Any tree in the Lake of the Woods' community greenbelts, parks or common area that is diseased, dying, or dead or which poses a danger of collapsing, which could directly threaten the personal safety of any person in the community or cause damage to any building, structure or public utility in the community, should be reported immediately to the Board of Directors. All wood from the common areas is the property of Lake of the Woods Community Club.

Section 4 – Pets:

No poultry, livestock, or animals of any kind other than house pets shall be kept or maintained on any part of platted lots.

Lake of the Woods is subject to the licensing and leash laws of unincorporated Pierce County. All pets must be contained within the confines of owner's property or leashed at all times. All pet owners must clean up after their pets when using any community property.

Section 5 – Burning:

Fire permits are required for all open fires. Such permits must be obtained from the Fire Department. Burn barrels are not allowed. Only natural vegetation may be burned. No garbage, household waste, dead animals, asphalt, petroleum products, paints, rubber products, plastic products, paper, plywood, finished or treated wood, or particle board may be burned. Fires must be attended at all times. During "Burn Bans" issued by Pierce County no fires of any kind are permitted, including burning indoors in fireplaces unless the fire is in a certified wood stove or fireplace and that is the sole source of heat.

All recreational outdoor fires must comply with Pierce County Fire Protection District permit rules and regulations.

Section 6 – Trash:

Garbage collection or disposal in county dump is required twice a month. No burning of foodstuffs, household trash, or plastics is allowed.

No lot shall be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste, including, but not limited to appliances or tires.

Section 7 – Fishing:

Fishing in the Lake (Doyle Pond) is permitted for eligible Lake of the Woods' Members and their guests only. Each numbered lot is limited to six (6) guests at a time. All guests must be accompanied at all times by a Member of the Corporation. Everyone age 15 and older is required to possess a valid fishing license. All fishermen are responsible for knowing and following applicable Washington State fishing laws and regulations as to fishing seasons, size and limit of fish. All children under the age of twelve (12) must be wearing a life jacket when fishing on the Lake.

Section 8 – Hunting:

No hunting is permitted. The use of firearms is prohibited within the Plat.

Section 9 – Parks:

Parks and all common areas, including Doyle Pond, are open from dawn to dusk, unless temporarily posted otherwise. Members shall be responsible for cleaning up during and after they have used any common area.

Section 10 - Water System:

Each lot owner within Lake of the Woods is subject to the benefits and privileges of water distribution, service and facilities of the Lake of the Woods Water System. Rates and charges shall be assessed

annually as determined by the Board of Directors. The Board of Directors reserves the right to discontinue water service for non-payment of assessments. Each lot within Lake of the Woods shall be assessed at the same rate whether improved or unimproved. Lake of the Woods does not recognize combining or separating of the original lot for tax purposes. All lots shall be assessed at the same rate for water system maintenance and community maintenance. Rates for the water distribution and service and community property maintenance may be increased by the Board of Directors as necessary pursuant to the budget ratification procedures outlined in these Bylaws.

No lot owner shall tamper with or access the water system, water box or water meter or allow any other person to do so without permission of the Water System Liaison. Fines may be assessed for failure to comply.

Section 11 - Noise Abatement:

Loud noises from construction, property development and/or tree cutting or removal that may annoy neighbors is limited between the hours of 7:00 AM to 10:00 PM daily. Noise generated by community Members that may annoy neighbors is limited to the hours of 7:00 AM to 10:00 PM during the weekdays, and between the hours of 7:00 AM to 11:00 PM on Friday and Saturday. (Also see Article VII, Section 1 - Right of Enjoyment.)

Section 12 – Fireworks:

No fireworks of any kind are allowed to be lit at any time on any lot, park, or lake front located within the Lake of the Woods community.

Section 13 – Vehicles:

Each numbered lot is limited to a maximum of eight (8) motorized vehicles. Campers and travel trailers are limited to a period of time on a lot not to exceed six (6) months. Once removed from the property, the six (6) months time limit may be restarted.

All vehicles, campers and trailers must be operable and have current and valid tabs at all times. All vehicles, campers and trailers must be parked on the owner's lot. They must not be parked on county roads or in cul-de-sacs so as to ensure other vehicles are neither blocked nor interfered with.

Section 14 – Buildings and Structures:

No building, structure, or mobile unit shall be moved onto or stored on any lot or portion of the lot without permission of the Architectural Committee. Only one dwelling unit can be located on each lot. The Architectural Committee must approve in writing the design, architecture and location of any building, structure, dock or fence prior to its erection or movement onto any lot, the purpose being that the committee shall attempt to obtain conformity and harmony with other structures and to prevent obstruction of the view of others in the Plat.

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**ARTICLE VIII
AMENDMENT OF BYLAWS**

Section 1 - Amending by Membership:

These Bylaws may be amended at any regular or special meeting of the Membership by the affirmative vote of two-thirds of eligible Members in attendance, when notice of the proposed alterations or amendment(s) is contained in the notice of the meeting. Without notice they may be amended at any regular meeting by a majority vote of the entire Membership.

Section 2 - Amending by the Board of Directors:

These Bylaws may be amended by the affirmative vote of two-thirds of the Board of Directors at any regular or special meeting of the Board of Directors, when notice of the proposed alteration or amendment(s) is contained in the notice of the meeting. These changes must be submitted to the Membership for final approval as stated in Section 1 above.

Section 3 - Conflict of Terms:

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 Protective Covenants and Restrictions and these Bylaws, the Protective Covenants and Restrictions shall control.

**ARTICLE IX
PARLIAMENTARY AUTHORITY**

Conduct at all meetings of the Board of Directors and Membership meetings shall be governed by the most current edition of Robert's Rules of Order in all cases to which they are applicable and not inconsistent with these Bylaws, Articles of Incorporation, any special rules of order the Corporation may adopt, or the Revised Code of Washington.

LAKE OF THE WOODS COMMUNITY CLUB BOARD OF DIRECTORS:

Tanya Michaels 7/20/20
President: Tanya Michaels Date

Garrett Leiby 7-20-20
Director: Garrett Leiby Date

David Tyler 7-20-20
1st Vice President: David Tyler Date

Amanda Bash 7-20-20
Director: Amanda Bash Date

Ed Nielsen 7/20/20
2nd Vice President: Ed Nielsen Date

Steve Shobe 7-20-20
Director: Steve Shobe Date

Barbara Dommert Breckler 07/20/20

Secretary: Barbara Dommert-Breckler-Date

[Signature] 7/20/20
Director: Regina Braley Date

Karen Gore 7/20/2020
Treasurer: Karen Gore Date

[Signature] 7/20/2020
Director: Jaimie Allison Ehrler Date

Mary Edith Jolliff 7-20

Director: Mary Edith Jolliff Date

Christine Anderson 7-20-2020

Director: Christine Anderson Date

[Signature] 7/20
Director: Greg Anderson Date