BYLAWS OF LAKE FOREST ESTATES HOMEOWNERS' ASSOCIATION

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Maple Valley, Washington 98038-0782

LAKE FOREST ESTATES HOMEOWNERS' ASSOCIATION BYLAWS

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BYLAWS OF LAKE FOREST ESTATES HOMEOWNERS' ASSOCIATION

ARTICLE I

NAME AND LOCATION. The name of the corporation is "Lake Forest Estates Homeowners' Association", hereinafter referred to as the "Association." The address of the corporation shall be Post Office Box 782, Maple Valley, Washington 98038-0782. Meetings of members and directors may be held at such places within the state of Washington, county of King, as may be designated by the Board of Directors. The Association shall be a non-profit corporation formed under the provisions of RCW.24.03.

ARTICLE II

DEFINITIONS

<u>Section 1.</u> "Association" shall mean and refer to Lake Forest Estates Homeowners' Association, its successors and assigns.

<u>Section 2.</u> "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

<u>Section 3.</u> "Common Areas" shall mean and refer to all of the real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the members of the Association. The Common Areas to be owned by the Association at the time of the conveyance of the first lots are described as follows:

- (a) Second Class Shorelands along and within Lake Wilderness, contiguous to the real property described on Exhibit "A".
- (b) Tracts "A" and "J," respectively, comprising a private waterfront park, including all improvements thereon and subject to the restrictions established thereon through the recording of the plat of Lake Forest Estates in the records of King Count
- (c) Tract "F," a private parking area and recreational facility, including all

improvements thereon and subject to the restrictions established thereon through the recording of the plat of Lake Forest Estates in the records of King County.

- (d) Tracts "G," "H," and "I," respectively, commonly known as "Native Growth Protection Easements," or "Native Growth Protection Tracts," subject to the restrictions set forth on the final plat of Lake Forest Estates as recorded in the records of King County
- e) Tract "L," a landscape/open space tract provided for the purpose of accommodating entrance signage and landscaping at the intersection into Lake Forest Estates off SR-169, together with all improvements thereon and subject to the restrictions established thereon through the recording of the plat of Lake Forest Estates in the records of King County.

<u>Section 4.</u> "Common Maintenance Areas" shall mean those portions of all real property (including the improvements thereto) maintained by the Association for the benefit of the members of the Association. The areas to be maintained by the Association at the time of recording this Declaration are described as follows:

(a) The fence, landscape berm, and entrance signage and landscaping along SR-169 and at the entrance with SE 253rd Place, and as defined within all right-of-way areas; and as a 40-foot B.S.B.L. easement area shown on Lots 1, 84 through 87, 89 and 90.

The fence located on Lots 91, 92 and Lot 93, is the property of and shall be maintained by the Owner(s) of Lot 91, 92 and Lot 93, however painting on the exterior of that fence will be undertaken by the Association.

(b) Cul-de-sac planter islands in 252nd Court S.E. S.E. 254th Street.

(c) Easements crossing Tract "B," representing the King County public trail right-of-way to be deeded to King County with recording of the plot.

- (d) All Common Areas as set forth in Section 3 above.
- (e) (16) Mailbox structures installed on public street right-of-way throughout the development

<u>Section 5.</u> "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties. Common Areas and Common Maintenance Areas shall not be regarded as Lots.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of (1) a fee simple title to any Lot which is a part of the Properties (but excluding those persons or entities, such as real estate contract sellers, having record title merely as security for the performance of an obligation), or (2) the Purchaser under a real estate contract prior to issuance of the fulfillment deed for the contract.

<u>Section 7.</u> "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the King County Recorder.

<u>Section 8.</u> "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration

Section 9. "Proxy" shall mean an agreement, acknowledged in writing that entitles another homeowner to vote on your behalf at a meeting of the membership where the homeowner is unable to attend and the agenda indicates a vote of the membership will be cast at the time of the meeting. Voting will typically be conducted using written or e-mail ballots, and if used, a proxy vote will not be applicable. All proxies shall be in writing and sent to or received by the Secretary of the Board of Directors prior to the anticipated vote.

<u>Section 10.</u> "Ballot" shall mean a written or e-mail ballot, mailed or e-mailed to the homeowner and to be returned to the Secretary of the Board of Directors no later than the date specified on the written ballot. The method designated for returning such ballots will be identified on the ballot form.

ARTICLE III

MEETING OF MEMBERS

<u>Section 1.</u> <u>Annual Meetings.</u> The annual meeting of the members shall be held during the second week of November. The meetings will be held at a location selected by the Board of Directors which is convenient to all members. <u>Section 2.</u> <u>Special Meetings.</u> Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

<u>Section 3.</u> <u>Notice of Meetings.</u> Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing or e-mailing a copy of such notice, postage prepaid, at least ten (10) days, and not more than fifty (50) days, before such meeting to each Member entitled to vote at such meeting, addressed to the Member's address or e-mail address last appearing on the books of the Association. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

<u>Section 4.</u> <u>Quorum.</u> The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the voters entitled to be cast at the meeting shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without additional notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

<u>Section 5.</u> <u>Proxies.</u> At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and verifiable. To be considered, proxies must be received by the Secretary on or before the day of the annual meeting, either in person or by mail to the Association's post office box. Proxies are only valid for an upcoming vote and will not remain valid for a longer period of time.

Section 6. Voting. Each Lot Owner shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they by majority determine, but in no event shall more than one (1) vote be cast with respect to any Lot, nor shall any vote be divided. When more than one person holds an interest on any Lot, all such persons shall unanimously designate (in writing delivered to the secretary of the Association) one of the persons (owning an interest in the Lot) to vote (in person or by Proxy) the vote for such Lot. The voting rights of any Owner may be suspended as provided for either in the Declaration, or in the Articles, or in these Bylaws of the Association.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERMS OF OFFICE

<u>Section 1.</u> <u>Management of the Association.</u> The affairs of the Association shall be managed by a Board of five (5) Directors who are members of the Association.

<u>Section 2.</u> <u>Term of Office.</u> Terms of office for individual Directors will be two (2) years. A staggered nomination and election schedule will be established to protect against block turnover of all Association Directors and to ensure that continuity is maintained.

<u>Section 3.</u> <u>Removal.</u> Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

<u>Section 4.</u> <u>Compensation.</u> No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for the director's actual expenses incurred in the performance of the director's duties.

<u>Section 5.</u> <u>Action Taken Without a Meeting.</u> The directors shall have the right to take any action in the absence of a meeting in which they could take at a meeting by obtaining the written or electronic mail approval of a majority of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

<u>Section 6.</u> <u>Telephone Meetings.</u> Members of the Board of Directors may participate in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other at the same time. Participation by such telephone communications equipment means shall constitute present in person at a meeting.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

<u>Section 1.</u> <u>Nomination.</u> Nomination for election to the Board of Directors shall be made by a Nominating Committee consisting of the Secretary and the outgoing Board members. The Nominating Committee will send out letters of interest to the Association members prior to the annual meeting in November requesting nominations. Members of the Nominating Committee will then contact nominees to verify their interest. If the nominations are insufficient to fill the vacancies on the Board, the Nominating Committee will solicit interested parties. The nominees' names will be submitted to the Board and Association members at the Annual meeting. Additional nominations may be made by the members in attendance. The Nominating Committee shall make as many nominations for election to the Board of Directors as desired, but not less than the number of vacancies that are to be filled.

<u>Section 2.</u> <u>Election.</u> Election to the Board of Directors shall be by confidential written ballot or e-mail ballot. The election for the Board of Directors will be conducted by mail or e-mail with all ballots due by the December Board of Directors' meeting. The nominee for each position receiving the largest number of votes shall be elected.

ARTICLE VI

MEETING OF DIRECTORS

<u>Section 1.</u> <u>Regular Meetings.</u> Regular meetings of the Board of Directors shall be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on a day agreed upon by the Board which is not a legal holiday. Meetings may be held in person or by virtual computer link.

<u>Section 2.</u> <u>Special Meetings.</u> Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) day's notice to each director. The notice may be verbal, in writing or by electronic mail.

<u>Section 3.</u> <u>Quorum.</u> A 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, unless the act of a greater number is required by the CC&R's, Articles of Incorporation, or these Bylaws.

ARTICLE VII

POWER AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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

- (a) Obtain policies of insurance for Common Areas and Common Maintenance Areas.
- (b) Obtain legal and accounting services if necessary to the administration of Association affairs, administration of the Common Areas and Common Maintenance Areas, or the enforcement of the CC&R's and these Bylaws
- (c) Pay from Association funds, all costs of maintaining the Common Areas and Common Maintenance Areas.
- (d) If necessary, maintain any Lot if such maintenance is reasonably necessary in the judgment of the Board to (1) protect Common Maintenance Areas, or (2) to preserve the appearance and value of the Properties or Lot. The Board may authorize such maintenance activities if the Owner or Owners of the Lot have failed or refused to perform maintenance within a reasonable time after written notice of the necessity of such maintenance has been delivered by the Board to the Owner or Owners of such Lot, provided that the Board shall levy a special assessment against the Owner, or Owners of such Lot and the Lot for the cost of such maintenance.
- (e) (1) The Board may also pay any amount necessary to discharge any lien encumbrance levied against the entire Properties or any part thereof, which is claimed or may, in the opinion of the Board, constitute a lien against the Properties rather than merely against the interest therein of particular Owners. Where one or more Owners are responsible for the existence of such liens, they shall be jointly and severally liable for the entire cost of discharging the lien(s) and all of any costs or expenses, including reasonable attorneys' fees and costs of title search incurred by the Board by reason of such lien or liens. Such fees and costs shall be assessed against the Owner or Owners and the Lot(s) responsible to the extent of their responsibility.

(2) This section 1(e) of this Article VII shall not affect the right of any Owners, jointly and severally liable to the Association, to a right or contribution, from other Owners also jointly and severally liable under this Section 1(e), for sums paid to the Association under this Section 1(e).

- (f) Pay all utility charges attributable to Common Areas and Common Maintenance Areas.
- (g) Pay all costs deemed appropriate by the Board to ensure adequate security for the Lots and Common Areas and Common Maintenance Areas constituting the residential community created on the Properties.
- (h) Have the exclusive right to contract for goods, services, maintenance, and capital improvements provided, however, that such right of contact shall be subject to the provisions of this Declaration.
- (i) Improve the Common Areas and Common Maintenance Areas with improvements to such areas exceeding \$15,000.00 needing the approval of two-thirds (2/3) of the members of the Association responding by voting in person or by proxy at a meeting duly called for this purpose. A minimum of forty (40) homeowners' responses are required to validate this vote.
- (i) Enter any Lot or Residence, when reasonable necessary, in the event of emergencies or in connection with any maintenance, landscaping or construction for which the Board is responsible. Except in cases of emergencies, the Board, its agents or employees shall attempt to give notice to the Owner or occupant of any Lot or Residence, 24 hours prior to such entry. Such entry must be made with as little inconvenience to the Owners as practicable, and any damage causes thereby shall be repaired by the Board, at the Association's expense, if the entry was due to an emergency (unless the emergency was caused by the Owner of the Lot entered, in which case the cost shall be specifically assessed to the Lot and against the Owner of the Lot). If the repairs or maintenance activities were necessitated by the Owner's neglect of the Lot, the cost of such repair or maintenance activity shall be specifically assessed to that Lot and against the Owner of that Lot. If the emergency or the need for maintenance or repair was caused by another Owner or another Lot, the cost thereof shall be specifically assessed against the Owner of the other Lot and against the other lot.
- (k) Adopt and publish any rules and regulations governing the members and their guests and establish penalties for any infraction thereof.
- (I) Declare the office of a member of the Board to be vacant in the event that a member of the Board is absent from three (3) consecutive regular meetings without approval by the Board.

- (m) Employ a manager, as independent contractor, or such other employees as the Board deems necessary and describe the duties of such employees.
- (n) Pay for all goods and services required for the proper functioning of the Common Areas and Common Maintenance Areas.
- (o) Impose annual and special assessments.
- (p) Open bank accounts or other financial accounts on behalf of the Association and designate the signatories required.
- (q) Exercise for the association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Bylaws, Articles or Incorporation, or this Declaration. The Board shall have all powers and authority permitted under this Declaration and the Bylaws. However, nothing herein contained shall be construed to give the Board authority to conduct a business for profit on behalf of all the Owners or any of them.
- (r) Adopt and publish rules and regulations governing the use of the Common Maintenance Areas, and the personal conduct of the Members and their guest thereon, and to establish penalties for the infractions thereof.
- (s) Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment or penalty levied by the Association. Voting rights may be suspended, without hearing, for the period the homeowner is out of compliance with any provision of the CC&R's. The homeowner will be notified that voting rights have been suspended for the period of non-compliance.
- (t) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and which are not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the CC&R's.

<u>Section 2. Responsibilities.</u> The Board of Directors shall have the responsibility to:

(a) Enforce the provisions of the CC&R's and these Bylaws.

- (b) Cause to be kept a record of all the Associations' acts and corporate affairs, including, but not limited to, corporate finances.
- (c) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- (d) As more fully provided in the CC&R's, to:
 - Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) Send written notices of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual due date.
 - (3) Take any and all enforcement action deemed necessary to fulfill the objectives and provisions set forth in the CC&R's or the Bylaws.
 - (4) Foreclose the lien against any property for which assessments or other charges are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obliged to pay the same.
 - (5) Take such action, as the Board deems appropriate, to collect any other funds owed to the Association by Association Members or by third parties, including recording and foreclosing any liens upon Member's Lots for assessments or other charges due the Association, including foreclosure of assessments or liens placed on property for non-compliance with the CC&R's.
- (e) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

<u>Section 1.</u> <u>Enumeration of Offices.</u> The officers of this Association, who will also serve as Directors of the Association, shall be a President, a Vice-President, a Secretary, a Treasurer, a Contracts Administrator, and others such Officers as the Board may, from time to time, create by resolution. The Officers of the Association shall be elected concurrently with the election of Directors of the Association by the members of the Association.

<u>Section 2.</u> <u>Term.</u> The Officers shall hold office for the duration of tenures as a Director of the Association unless he or she sooner resigns, or shall be removed or otherwise by disqualified to serve.

<u>Section 3.</u> <u>Meetings</u>. The Officers and Board members shall conduct meetings, as needed to accomplish the business of the Association and duties of the Officers. Those meetings are generally held monthly, with the Annual meeting held on the second week of November of each year. The date and location of each meeting is within the discretion of the Officers and will be made available to the Association in regular notices in advance of the meeting.

<u>Section 4.</u> <u>Special Appointments.</u> 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.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time 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.

<u>Section 6.</u> <u>Vacancies.</u> A vacancy in any office may be filled by appointment by the remaining officers. The officer appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

<u>Section 7.</u> <u>Multiple Offices.</u> The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article. Section 8. Duties. The officers and their duties are:

- (a) President:
 - (1) Prepare meeting agendas.
 - (2) Preside at all meetings of the Board of Directors.
 - (3) Ensure appointment and supervision of all committees.
 - (4) Ensure that orders and resolutions of the Board of Directors are carried out.
 - (5) Sign all leases, mortgages, deeds and other written instruments.
 - (6) Co-sign all checks and promissory notes.
 - (7) Ensure that the Reserve Study is updated annually

(b) Vice-President:

- (1) Act in the place of the president in the event of his absence, inability or refusal to act.
- (2) Exercise and discharge such other duties as may be required of him by the Board of Directors.
- (c) <u>Secretary:</u>
 - (1) Keep the minutes of all meetings and proceedings, including votes of the Board of Directors and the Members. Maintain records of such minutes and proceedings, including votes.
 - (2) Keep the corporate seal, if any, of the Association and affix it on all documents requiring said seal.
 - (3) Serve notice of meetings of the Board of Directors and the Members.
 - (4) Perform such other duties as required by the Board of Directors.
 - (5) Maintain the official records of the Association.

(d) Treasurer:

- (1) Keep proper books of account.
- (2) Send notices of annual and special assessments to Members.
- (3) Receive and deposit all cash receipts of the Association into appropriate bank accounts.
- (4) Monitor delinquent accounts and advise the Board of Directors on appropriate collection actions.
- (5) Disburse funds of the Association upon the presentation of properly rendered and approved vendor invoices or as directed by resolution of the Board of Directors.
- (6) Sign all checks and promissory notes of the Association.
- (7) Arrange for an annual review of the Association's insurance coverage.
- (8) Present a preliminary budget for the upcoming year at the annual meeting of the Membership and distribute a final budget to the membership in January of the new year.
- (9) Prepare monthly Statement of Operations and Statements of Financial Position with variance analysis for presentation at Board of Directors meetings.

(10) Cause an annual audit of the Association books to be made by a financial review committee from the Membership or a public accountant.

(11) Prepare and send an annual Statement of Operations and a Statement of Financial Position to the Members.

(12) Maintain a directory of the Members of the Association.

(13) Issue park keys to members in accordance with the Park Rules and maintain a record of key-holders.

(e) Contracts Administrator

- (1) Develop bid specifications for contracted work.
- (2) Solicit bids from appropriate contractors. To manage efficiency of maintenance costs, annual maintenance contracts should be rebid every 3 years (recommended).
- (3) Review and analyze bid proposals and make recommendations for contract awards to the Board of Directors.
- (4) With Board of Directors approval, enter into contract agreements on behalf of the LFE HOA.
- (5) Ensure contract compliance.
- (6) Approve contract invoices prior to payments by the Treasurer.
- (7) Participate in the development of the annual budget and cash flow projections.
- (8) Lead the annual asset review processes.
- (9) Arrange for routine quarterly safety inspections of the common area.

ARTICLE IX

NON-BOARD POSITIONS AND THEIR DUTIES

<u>Section 1.</u> <u>Enumeration of Offices.</u> At the discretion of the HOA Board of Directors, The Homeowners' Association may adopt additional positions to assist the Board of Directors. The Non-Board position(s) may be eliminated or vacated at the discretion of the Board of Directors.

<u>Section 2.</u> Compensation. The Non-Board position(s) may be compensated at a fair professional hourly rate approved by the Board of Directors. The Board of Directors shall monitor, and control hours charged to the HOA.

<u>Section 3. Requirements</u>. If compensated, persons serving in Non-Board position(s) shall have a State Business License and provide Certificate of Insurance for General Liability and Professional Liability appropriate for the services provided.

Section 4. Government Fees and Taxes. Persons serving in Non-Board

positions shall be responsible to pay all Federal, State and Local Government fees, taxes and charges.

Section 5. Duties. The positions and their duties are:

- (a) <u>Bookkeeper.</u> The board may hire a credentialed and insured bookkeeper with QuickBooks skills to assist the Treasurer. Time estimate will range from 2–4 hours per month. The bookkeeper will perform the following duties:
 - (1) Keep proper books of account.
 - (2) Prepare monthly Statement of Operations and Statements of Financial Position with variance analysis for Treasurer to present at Board of Directors meetings.
 - (3) Prepare and send an annual Statement of Operations and a Statement of Financial Position to Treasurer.

ARTICLE X

COMMITTEES

The Association shall appoint committees as provided in the Declaration and in these Bylaws as follows:

Section 1. Architectural Control Committee

- (a) Membership: The Architectural Control Committee shall be designated by the Board. An election to fill either a newly created position on the ACC or a vacancy on the ACC requires the vote of a majority of the entire Board. However, the Board is not obliged to fill a vacancy on the ACC unless the membership of the ACC numbers less than three (3) persons.
- (b) Designation of a Representative: The ACC may unanimously designate one or more of its members or a third party to act on behalf of the ACC with respect to ministerial matters and discretionary judgments. The decisions of such individuals are subject to review by the entire ACC.

- (c) Donation of Time: No member of the ACC shall be entitled to any compensation for services performed on behalf of the ACC. ACC members shall have no financial liability resulting from ACC actions.
- (d) Voting: ACC decisions shall be determined by a majority vote of members of the ACC.

Section 2. Nominating Committee - As described in Article V of these By-laws.

Section 3. Ad Hoc Committees - As required to perform special projects.

ARTICLE XI

BOOKS AND RECORDS

The Association shall retain and maintain all official Books and Records of the affairs of the Association in accordance with the requirements of the Records Retention Policy.

Section 1. Records of the Association will include the following as appropriate:

- (1) Financial Reports
- (2) Invoices and Receipts
- (3) Bank Statements
- (4) Bid Specifications
- (5) Signed Contracts
- (6) Contractor Bid Sheets
- (7) Official HOA Correspondence
- (8) Meeting Minutes

Section 2. The official Books and Records of the Association, excluding confidential voting ballots, will be available for inspection by any Member, during reasonable business hours.

ARTICLE XII

ASSESSMENTS

Section 1. As more fully provided in the CC&R's, each Member is obligated to pay to the Association annual and special assessments, and other charges, fines, or penalties. All such charges or fees are secured by a continuing lien upon the Property against which the assessment or other charge is made. Any assessments or other charges which are not paid within thirty (30) days after the due date shall bear interest from the date of delinquency at the rate of 12 percent (12%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Property. Interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment or other charges.

No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas and Common Maintenance Areas or abandonment of the Owner's Lot. The personal liability of any Owner for delinquent assessments or other charges shall not pass to his or her successors in title unless expressly assumed by them. Liens for delinquent assessments and other charges shall be recorded in the office of the King County Recorder.

Section 2. The assessments levied by the Association under Article VII of the CC&R's shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and for the improvements and maintenance of the Common Areas and Common Maintenance Areas as provided in Article VI of the CC&R's.

Section 3. The annual assessment may be increased:

(a). each year up to ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.

(b) by more than ten percent (10%) over the previous year's maximum annual assessment if approved by two-thirds (2/3) of the members of the Association, voting in person or by proxy at a meeting duly called for this purpose.

<u>Section 4.</u> The Board of Directors shall fix the annual assessment in accordance with the above recited standards with assessments made in January of each year and due no later than February 28^{th.}

Section 5. Late notices will be mailed approximately every 30 days following the due date. A service fee of \$25 will be charged for each late notice. A lien will be filed at approximately 120 days following the due date. The lien will include unpaid dues, interest, service fees, costs and reasonable attorney's fees. Homeowner's may contact the Treasurer to make arrangements for an alternative payment schedule, based on need. If approved and payments are received as agreed to, no further service fee will be charged and no lien will be filed.

ARTICLE XIII

CORPORATE SEAL

The Association may have a seal in circular form, having within its circumference the words: "Lake Forest Estates Homeowners' Association."

ARTICLE XIV

AMENDMENTS

<u>Section 1.</u> These Bylaws may be amended by a majority of the Board of Directors. The Members shall have concurrent power to amend the Bylaws at a regular or special meeting of the Members, by a vote of a majority or a quorum of Members Present in person or by proxy.

<u>Section 2.</u> In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the CC&R's and these Bylaws, the CC&R's shall control.

ARTICLE XV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

ARTICLE XVI

DELEGATION OF USE

Any Owner may delegate his or her right of enjoyment of Common Areas and Common Maintenance Areas to members of their immediate family, or to tenants and their immediate family living at the residence. In the event an Owner rents or leases his Property, a copy of these Bylaws and the Declaration, as well as any rules or regulations that may be adopted by the Association, shall be made available by the Owner to the prospective renter at the time of commitment to the rental agreement. Each Owner shall also be responsible for informing guests and service personnel of the contents of these Bylaws and the Declaration, as well as any rules and regulations that may be adopted by the Association as they may relate to appropriate community behavior. Each Owner personally, and the Owner's Lot, shall be responsible for any damages to any Common Areas or Common Maintenance Areas (or any other areas maintained by the Association) or to any other Association property, whether real or personal, caused by an Owner's family, guest, tenant, agent, workman, contractor, or other licensee or invitee. The Association shall have a lien upon the Owner's Lot for the amount of damages, which shall be assessed or collected against the Owner or Owner's property as any other assessment.

IN WITNESS THEREOF, we, being the Directors of Lake Forest Estates Homeowners' Association, have hereunto set our hands this 12th day of June 2020.

Wayne Anderson, President

Giles Nelson, Vice-President

Secretary - open position

Sandra Munsey, Treasurer

Troy Loftus Contracts Administrator