

BYLAWS

OF

STAR LAKE COMMUNITY CLUB, INC

1137 West Star Lake Drive
Elma, WA 98541
(360) 482-4088

Adopted July 25, 2009

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ARTICLE I

GENERAL PROVISIONS

A. Name. The name of the Association is Star Lake Community Club, Inc.

B. Jurisdiction. The Association has jurisdiction over all lands within the Star Lake development legally described as:

Division I, Lots one (1) to one hundred fifty (150), both inclusive.

Division II, Lots one hundred fifty one (151) to two hundred twenty six (226), both inclusive.

Division III, Lots two hundred twenty seven (227) to two hundred fifty three (253), both inclusive.

Division IV, Lots one (1) to thirty eight (38), both inclusive.

Division V, Lots one (1) to nineteen (19), both inclusive.

as well as all activities therein related to the purposes of the Association. The jurisdiction of the Association may be expanded by the affirmative vote of the general membership voting in person or by proxy at a meeting with a quorum.

C. Purposes. The purposes for which this Association is founded are to promote the community welfare of the members and their families, to make Star Lake a better place in which to live and enjoy life, for the benefit of members and their families; and to exercise any or all powers of non-profit associations and homeowners' associations pursuant to the laws of the United States and the State of Washington, including RCW chs. 24.03 and 64.38, its successor, or as amended.

D. Common Areas. The ownership of the common areas in Star Lake is vested in the Association. Such common areas are for the exclusive use and enjoyment of members in good standing, their families and their guests; and those invited by the Association to use said common areas, including holders of easements, licenses, and other rights granted by the Association, if any. Unless invited as specified by the Association, through its Board of Directors, tenants are not authorized to use any of said common areas. The Association, through its Board of Directors, may create reasonable rules and regulations for the use of its common areas, and for the conduct of its members, their family members and guests, and others with respect thereto, as well as with respect to the entire Star Lake Community. Any use of the common areas shall be consistent with their purposes as determined by the Board of Directors, and members shall be responsible for any damages to the common areas, or any association property, caused by themselves or others for whom they are responsible. The Association is responsible for paying taxes and assessments on the common areas, and to operate and maintain the same, and pay the costs associated therewith. The Association may also own any other property, real or personal.

E. Authorities. This Association, the areas within the Star Lake plats, association members, and others within and subject to the jurisdiction of the association are all subject to the applicable recorded Protective and Restrictive Covenants of Star Lake Community Club, Inc., as well as any other applicable recorded documents; its Articles of Incorporation; these Bylaws; other Association governing documents; other rules and regulations of the Association; RCW ch. 24.03, the Nonprofit Corporation Act, or its successor; RCW ch.64.38, the Homeowners' Association Act, or its successor; and the laws of the State of Washington and of the United States.

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

1. Common Areas. These include property owned by the Association at the date these Bylaws were recorded including but not limited to the lake access, dock, clubhouse, golf course, park, and other property currently owned by the Association, as well as any property later acquired by the Association.

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

3. Guests. Guests are those whom a member invites to use the member's property. Tenants are not guests. Family members other than those defined above may be guests, depending on the circumstances.

4. Member. A member is a recorded owner or contract purchaser of a lot within the Association. If more than one person owns the same lot, each is considered a member and holds the same rights and privileges as defined within the governing documents of this Association.

5. Members in Good Standing. These are members with no current substantial Protective and Restrictive Covenant or other rule violation(s); and are current in all payments to the Association, all as determined pursuant to Article IIC below.

7. Transfer of Membership. Upon the sale or transfer of ownership or contract purchase of lots within Star Lake, membership, voting privileges and other rights and responsibilities contained therein will be transferred to the new owner. No compensation shall be paid by the Association upon the transfer of any membership, and no transferred membership shall be entitled to share or participate in any of the rights or privileges associated with said membership.

9. Tenants. Tenants (renters) are those who compensate a member in some way for the right to live on or use a Star Lake lot. For the purposes of these Bylaws, tenants are not considered members or members in good standing as defined above.

10. Board of Directors. As defined in the Bylaws, the Board of Directors is composed of individual members elected for Director positions previously referred to as a Trustee in Star Lake governing documents.

11. Referendum. A referendum is a direct vote in which the entire association is asked to either accept or reject a particular proposal. Referenda are referred to the membership by the board for a vote.

12. Initiative. An initiative is also a direct vote in which the entire association is asked to either accept or reject a particular proposal. Initiatives are referred to the membership for a vote by the signatures of members in good standing representing at least ten percent of the total votes of the Association.

13. Lot. A lot is a parcel of land within the jurisdiction of the Association, as shown on the original Association plats. If two or more lots are combined together by a Boundary Line Adjustment, or other generally similar procedure primarily for Mason County purposes, they remain two lots for the purposes of the association, including payment of two assessments.

ARTICLE II MEMBERSHIP

A. General. Although the Board of Directors acts in most instances on behalf of the Association, the primary authority of Star Lake Community Club rests with its members. Members are the legal owners or contract purchasers of residential lots within the jurisdiction of Star Lake. Members elect directors to the Board of Directors, approve or disapprove the annual budget and further financial proposals, and vote on initiatives or referenda. Members are responsible for complying with all Association requirements, including paying in a timely manner all assessments due to the Association, and respecting the covenants and other applicable rules. Membership is appurtenant to ownership of each lot in Star Lake. No member may withdraw membership except by transfer of ownership. Each member in good standing has the right to use Association property and facilities, and to permit guests and family members to do so as well; all pursuant to Star Lake's reasonable rules and regulations. Each member in good standing also has the right to apply for approval of permits for building and other plans and/or activities, to participate in Association activities, and to serve on the Association Board of Directors and its committees and vote. Each member in good standing also has the right to appeal to the Board of Directors any decision made by the association that adversely affects the member.

Failure to comply with Star Lake covenants and other rules, including the obligation to pay assessments, may result in the loss of status as a member in good standing, as set forth in Articles I(F)(5) above and II(C) below, and therefore loss of rights to use such property and facilities, including the Star Lake Community water system; to make such applications; to participate in such activities and serve on such Board of Directors and committees; and to vote. This loss of status will apply to the members personally as well as their rights with respect to each of their lots.

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

B. Voting Rights. Only members in good standing are eligible voters. A member in good standing who is an owner or purchaser of a lot may cast one vote per lot. Multiple owners of any lot shall designate who shall cast the vote for said lot.

C. Members in Good Standing. Members shall not lose their status as members in good standing unless they are delinquent in any payments owed to the Association, unless a repayment agreement has been reached and is complied with at a minimum of one (1) month prior to any vote or proxy ballot; members shall not lose their status as members in good standing because of substantial Protective Covenant or other rule violation unless the Board of Directors notifies them that the Board will consider the same at a hearing. The hearing shall be held at the next Board meeting, the member will have the right to be heard on the matter, and at the hearing the Board must approve the loss of status by a majority vote.

D. Petition Rights. Any member in good standing who in good faith believes that the association has acted in any way contrary to the provisions of these Bylaws or any other association rules or requirements, including by taking any action involving that member individually, or any action affecting the entire membership, may petition the Board of Directors in writing to consider the matter. The petition shall state the rule or requirement at issue, the specific factual allegations made, and the identity and contact information for any witnesses. It shall also include copies of all evidence, where reasonably possible. The Board of Directors shall adopt a reasonable and fair system to address such complaints.

E. Meetings.

1. Annual Membership Meeting. There shall be an annual membership meeting of the Association. The annual membership meeting shall take place in July each year at a date and time to be specified by the Board of Directors.

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

3. Notice. Notice of all membership meetings shall be delivered, or sent by prepaid, first class United States mail, to each member. Members are required to notify the Association of any change of address. Notice shall be given not less than 14 days, and not more than 50 days prior to the meeting. The notice shall state the time, place and agenda of the meeting and a fair and balanced discussion of the significant issues to be discussed or voted upon.

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

5. Agenda. The notice of any membership meeting shall include the agenda for the meeting, as set by the Board of Directors. The agenda for membership meetings may include elections and approval of a budget and/or other financial proposals. The agenda may also include referenda, which are issues submitted to the general membership by the Board of Directors either for binding vote, or guidance; and initiatives, which are issues submitted by the signatures of members in good standing representing ten percent of the total votes of the Association. No initiative proposal adopted by the members may interfere with the contract rights of any third parties, as reasonable determined by the Board of Directors. Members must provide agenda items to the board in writing no less than 50 days prior to the general membership meeting. The agenda may also include provisions for discussion of particular issues. At the annual membership meeting, the

Officers and Committee Chairpersons shall provide summary reports of operations of the preceding year, and plans for the upcoming year, as well as long-range plans, which shall also be included in the agenda. No items which require a vote may be added to the agenda or any items on it at the general membership meeting.

6. Quorum. Five percent of the total members in good standing, voting in person or by proxy, shall constitute a quorum for the transaction of business at any general membership meeting.

7. Ballots. A member may cast his or her vote in person or by proxy, according to procedures established by the Board of Directors. Votes cast by proxy shall be specific to each particular issue. The notice of any general membership meeting shall include a proxy ballot, which shall be identical in all significant respects to the issue provided to members voting in person.

8. Majority. Actions of the membership shall be taken by a majority vote of the members present in good standing, voting at a meeting with a quorum, except as otherwise provided by law or Star Lake governing documents. An example of such an exception is set out at Article IV(I) below, having to do with Washington State law about how budgets are adopted.

9. Procedures. The Board of Directors shall establish procedures for initiatives, referenda, and membership meetings that are reasonable and fair, including additional procedures to ensure the accuracy of voting as deemed appropriate.

ARTICLE III BOARD OF DIRECTORS POWERS AND DUTIES

A. General. The Board of Directors is responsible for acting in all instances on behalf of the Association, except where otherwise expressly provided. It conducts, manages, and controls the affairs and business of the Association, and over all of the common properties of the Association. Members of the Board of Directors develop skills and insight into the work of the Association through their service to the Association, including as Directors. Their responsibilities are to follow state laws and Star Lake Community Club governing documents and rules and regulations in ways that, in their individual and collective judgments, best serve the purposes of the Association, and are fair and reasonable.

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

C. Rules and Regulations. The Board of Directors shall, when necessary and appropriate, develop rules and regulations to support the purposes of the Association, and to provide procedures for its operation.

D. Records. The Board of Directors shall keep records of the current Articles and bylaws; a list of members, including names, and addresses; sufficiently detailed information to provide to the members a true statement of the financial status of the Association; a list of officers' and directors' names and addresses and minutes of the board meetings, the general membership meetings, and the meetings of all committees that keep minutes. In addition, the Board shall keep records of its operations, including matters having to do with individual members and lots, for at least 10 years. All of the records of the Association may be inspected and copied by any members and their authorized agents, and mortgagees, upon reasonable advance notice. The only exception is for records arising out of personnel or legal matters, matters having to do with liability of a member to the Association, and matters otherwise protected by law. The Association may impose reasonable charges for the inspection and/or copying of the records. The association shall not release any email addresses or unlisted telephone numbers of members without authorization.

ARTICLE IV BOARD OF DIRECTORS GENERAL

A. Number of Directors. There shall be seven voting members of the Board of Directors.

B. Alternate Directors. In addition to the regular Directors, there shall be two Alternate Directors who shall be designated as the First Alternate Director and Second Alternate Director. The Alternate Directors are required to attend Board meetings. If at least one regular Director is absent for a meeting, the First Alternate Director shall be allowed to vote as a regular Director. If more than one Director is absent from said meeting, both Alternate Directors shall be allowed to vote. If at least one Director and the First Alternate Director are absent from the meeting, then the Second Alternate Director may vote in their absence.

C. Qualification. Any member in good standing is qualified to serve as a Director.

D. Terms of Office. Each regular Director shall serve a term of three years.

E. Removal. A Director may be removed with or without cause by a majority vote of the members in good standing voting at a meeting with a quorum, upon proper submission of a member initiative or Board of Directors referendum. A Director may also be removed by resignation or disqualification. A Director shall become disqualified if he or she is no longer a member, or a member in good standing, or misses three consecutive meetings without reasonable cause, as determined by the Board of Directors. The Board shall determine such vacancies and disqualifications, and declare a Director position vacant, by motion and vote.

F. Vacancies. If the Board determines that a vacancy exists in a Director position, the Board of Directors shall appoint a successor within a reasonable period of time. The successor shall fill the remainder of the unexpired term of the former Director. The vacant position will be offered to the serving Alternate Directors first before offering the position to the general membership. Should one or more Alternate Director positions be

vacated for the lateral transfer to regular Director positions, the Alternate Director position shall be selected from the general membership for the remaining unexpired term. The appointee shall be elected at the next regular meeting of the Board of Directors.

G. Meetings.

- 1. Where and When.** The Board of Directors shall meet at the Clubhouse of the Association, unless otherwise necessary. The Board of Directors shall meet at least monthly with the exception of the month of January.
- 2. Notice.** Notice of regular Director meetings shall be given by general reference in mailings to the membership, by electronic communication, and/or by posting at the office. Notice of special Board of Directors meetings shall be given, when reasonably possible, to the Directors at least 24 hours prior to the meeting, by personal communication, or reasonable alternate means best calculated to be received. Notice of special Board of Directors meetings shall also be given to the general members at least 24 hours prior to the meeting, when reasonably possible, by posting notice at the office.
- 3. Quorum.** A quorum of the Board of Directors for the transaction of business shall be a majority of the then sitting Directors. Alternate Directors who are allowed to vote in a particular meeting shall be counted as a regular Director for the purpose of determining whether a quorum is present at the meeting, and the vote counted accordingly.
- 4. Majority.** A majority vote of the Directors at a meeting at which a quorum is present is sufficient to transact the business of the Board of Directors.
- 5. Procedures.** The Board of Directors shall develop procedures for its operation that are fair and reasonable under all the circumstances.
- 6. Distance Meeting.** Any meeting of the Board of Directors may be conducted by telephone conference call, or similar communications medium, whereby all Directors participating are in voice or electronic contact with each other throughout the meeting, subject to all other meeting requirements as set forth herein.

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

I. General or Special Budget for Income, Expenses and Reserves. The Board of Directors shall adopt an annual budget for assessment and other income, expenses and reserves, as well as special or amended budgets for the same, as needed. Any such budget shall be submitted to the membership as provided by Washington State law. Consideration by the membership may take place at the Association's annual general meeting or at a special membership meeting. If at any time state law no longer specifies the procedure for adoption of budgets, any general, special or amended budget adopted by the Board of Directors for assessment and other income, as well as expenses and/or reserves, shall be submitted to the membership for its approval or rejection pursuant to the most recent applicable state law, until these Bylaws are or may be amended to provide otherwise.

J. Budget Reports. The Board of Directors will make available to the members budget reports, specifying performance by line item in light of each regular and special budget.

K. Expenditures. The Board of Directors will not spend more than \$1,500 for purchases other than normal expenditures (such as utilities, taxes, payroll, insurance,

emergency repair on club property, water and electric systems) without the approval of the general membership. All major purchases and expenditures not funded out of the annual budget will be approved by the general membership before an agreement is signed.

ARTICLE V OFFICERS

A. Election. The Annual Membership Meeting will be used to elect members to the Board of Directors. After the meeting, those individuals elected to Director positions and those currently occupying Director positions will elect the positions of President and Vice-President from the Directors. Directors elected to a position of Officer as outlined below, shall serve and hold that office for one year from the date elected. Two or more offices may be combined into one position at the discretion of the Board of Directors by a majority vote, except in the case of the President, which will remain as a single office.

B. President. The President shall preside at all meetings of the Directors and members, and shall be the chief executive officer of the association.

C. Vice-President. The Vice President shall perform the duties of the President when the President is unavailable.

D. Secretary. The Secretary shall be generally responsible for correspondence and minutes of all meetings of the membership and of the Board of Directors. The Secretary may be a member who is not an elected Director. The office of Secretary is not a voting position unless the Secretary is an elected Director.

E. Treasurer. The Treasurer shall be generally responsible for keeping safely all money, financial accounts of the Association, and for preparing and keeping a complete accounting of the financial records of the Association, for presentation to the members at the annual membership meeting, and at all other times as required. The Treasurer may be a member who is not an elected Director. The office of Treasurer is not a voting position unless the Treasurer is a regular Director. The Treasurer shall disburse the funds of the Association only under the direction of the Board of Directors or of the President if a vote is not required. The Treasurer shall sign the checks of the Association, along with one other designated board member.

F. Execution of Documents. The President, or in the absence of the President, the Vice-President shall sign and execute all contracts, conveyances, notes and security agreements on behalf of the Association. The same shall also be signed and executed by either the Secretary, or in the absence of the Secretary, the Treasurer. When necessary, due to particular circumstances, the Board of Directors may specifically authorize signing and execution otherwise. Checks, drafts, and other negotiable instruments, and other documents except amendments to Association documents, may be signed and/or executed as provided by the Board of Directors. The President or Vice-President, in the absence of the President; and Secretary or Treasurer, in the absence of the Secretary shall together be responsible for preparing, executing, certifying and recording Association governing documents, Association rules and regulations, and amendments thereto.

G. Employees and Agents. The Board of Directors may appoint, engage and/or employ

pursuant to its direction, employees, contractors, agents and volunteers.

H. Removal of Officers. Any Officer may be removed as such by a majority vote of all of the Directors. Upon removal of an Officer, the Board of Directors shall elect a replacement within a reasonable time. The successor shall fill the remaining term of that office.

ARTICLE VI COMMITTEES

A. General. The Board of Directors may form committees at any time for such purposes as it may deem necessary. The President of the board shall have the authority to appoint and remove members from these committees, except for the Executive Committee. The Board of Directors shall adopt a Resolution establishing each such committee, addressing its makeup, authority and operating procedures. The Board of Directors may delegate, pursuant to law, its authority to take action to any committee that is composed entirely of Directors. The actions of any committee shall be subject to the ratification or disapproval of the Board of Directors, where required by law.

B. Executive Committee. The Executive Committee shall be composed of the President, Vice-President, and two additional Directors elected to the committee by the board. The Executive Committee shall act pursuant to procedures established by the Board of Directors by Resolution.

C. Nominating Committee. The President of the Board of Directors shall appoint, with the consent of the Board of Directors, a chairperson and other members to a Nominating Committee. The Nominating Committee shall solicit and present candidates to serve on the Board of Directors, and for other positions, pursuant to procedures established by the Board of Directors by Resolution. Members of the Nominating Committee may be Directors or general members who are not Directors. Any Association member in good standing may present a nomination for any such candidate to the nominating committee.

D. Hearing Committee. The President of the Board of Directors shall appoint, with the consent of the Board of Directors, at least three Hearing Committee members when a Hearing Committee is deemed necessary. The Hearing Committee is responsible for adjudicating claims that a member has violated any provisions of Star Lake Community Club governing documents or other rules.

E. Internal Audit Committee. An Internal Audit Committee of three members shall be appointed to conduct an annual internal audit of the affairs of the association, and to report its findings to the membership at the annual general membership meeting. The Treasurer shall assist the Audit Committee with information for the audit.

ARTICLE VII CODE OF ETHICS

A. Standard of Care. All Directors, Officers, Committee Members, Agents, Contractors, Employees, Volunteers and others performing services for, or on behalf of, the Association, shall do so in a manner they believe to be in the best interest of the Association, and with such care, including reasonable inquiry, as an ordinarily prudent

person in a like position would use in similar circumstances. All members shall act with good faith in all matters arising in any way out of their membership in the association, which is an honest belief made with good intentions.

B. Open Meetings. All meetings of the Board of Directors and its committees shall be open for observation by all members and their authorized agents, except as otherwise specified by law.

C. Open Records. Except as otherwise specified by law, the minutes of any membership, Board, or committee meetings, and all other records of the Association, shall be available for examination by all members and the holders of any mortgages on any lots and their authorized agents on reasonable notice by written request and upon payment of reasonable costs incurred to provide the same. The only exception is for records arising out of personnel or legal matters, matters having to do with liability of a member of the association, and matters otherwise protected by law. The Association may impose reasonable charges for the inspection and/or copying of the records. The Association shall not release any email addresses or unlisted telephone numbers of members without authorization.

D. Compensation. No Directors, Officers, Committee Members, or Volunteers shall be compensated for work performed without approval by the Board of Directors. Reasonable expense reimbursement is not considered compensation. Compensation may be paid for services performed as an employee, agent or contractor, subject to conflict of interest limitations contained herein.

E. Service Requirements. Employees of the Association may not serve on the Board of Directors.

F. Conflict of Interest. No member of the Board of Directors, or of any Board of Directors Committee, shall participate in any vote on any subject in which he or she has a specific personal, professional, financial, or other conflict of interest. He or she may, however, participate in discussions regarding the same. When a Board or committee member has duties that present the possibility of a conflict of interest, or the appearance of a conflict of interest, the Board shall first consider directly the risks presented, and if it decides to approve the performance of such duties, it shall then adopt by Resolution a clear statement of the circumstances, and the safeguards that will be put in place.

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

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

I. Audit. The Board of Directors may cause to be prepared an audit of any or all of the financial accounts or affairs of the Association at any time, and to the extent it deems appropriate. In addition, at least annually, the Board of Directors shall cause to be prepared a financial statement of the Association. Such financial statements shall be

audited where provided by law, or as directed by the Board of Directors.

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

K. Confidentiality. All members, including Board members, as well as volunteers, employees, agents, and contractors, shall maintain confidentiality with respect to any information they become aware of having to do with any matters involving personnel, consultation or communication with legal counsel, likely or pending litigation, possible violations of the governing documents, or involving the possible liability of a member to the Association.

ARTICLE VIII ASSESSMENTS

A. Obligations. Each member, by accepting an ownership interest in any lot within the development, agrees to pay all assessments imposed by the Association. Assessments shall not be imposed against the lots owned by the Association, because, if imposed, they would be paid by the general membership through its assessments, and the result would be the same.

B. Assessment Definition. Assessment as defined herein shall constitute a personal obligation on each member. In addition, they shall constitute a lien as specified herein against each lot, whether this lien is reduced to writing and recorded, or not, and said lien shall run with the lot to which it attaches, regardless of subsequent change of ownership of the same. The date of each such lien shall be the date of recordation of the Association Articles of Incorporation.

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

D. Foreclosure. When reasonable collection efforts are not successful, and if appropriate in the judgment of the Association, assessment liens may be foreclosed, in the general manner of foreclosure of real property mortgages, for all purposes, including statutory, with adaptations where reasonable in the judgment of the Board of Directors; provided, that a revised deficiency judgment may be entered after confirmation of sale, crediting the sale proceeds, and any payments or other credits, and debiting any post-judgment assessments, costs and attorney fees; the member may stay the proceedings at any time, prior to sale, by payment to Star Lake Community of the full amount due, as defined below.

E. Lien Priority. The lien of Star Lake Community for payment of all assessments as defined herein is prior to any other lien, mortgage, deed of trust, or any other encumbrance, regardless of filing date of notice of the same. However, as to any lot, this

lien shall be automatically subordinated to one mortgage, deed of trust, or other financing encumbrance in favor of an institutional lender, which is undertaken for the sole purpose of purchase of the lot, construction (or remodeling) of improvements to the lot, or refinancing of the same; provided that the Association account with respect to any such lot is not delinquent at the time of recordation of the encumbrance, and that a copy of such encumbrance is delivered personally, evidenced by a receipt for the same, or sent by certified or registered mail; and received at the office of Star Lake Community Club within a sixty (60) days of its execution. The burden of proving receipt is on the lender. This automatic subordination shall only apply to amounts associated with any general or special assessments or dues only, including fees and costs directly related thereto; and not to any amounts associated with any property condition violations, and fees and costs related thereto. In the case of such automatic subordination, only amounts assessed within the six months prior to the recordation of any instrument of transfer of title shall be due and owing.

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

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

1. General Annual Assessment and/or Dues. The Association shall impose a general annual assessment and/or dues on each lot within the development, at a uniform rate per lot, which assessment or dues shall be imposed by the Board of Directors. The Board shall not increase the general annual assessment from the previous year without approval of the membership as defined in these Bylaws, and pursuant to state law.

2. Special Assessments. Special assessments for particular expenses defined by the Board of Directors may be imposed or modified by a quorum vote of the general membership, as specified in these Bylaws.

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

a. Service Fees. The Board of Directors may, in its discretion, impose direct fees for goods and services provided by the Association.

b. Remediation Expenses. The Board of Directors may charge to a member any lot condition remediation expenses incurred by the Association, either before or after any Sheriff's sale in which the Association acquires the property as a result of foreclosure. In the event that the member wishes to sign the lot over to the Association, the Association will have sixty (60) days prior to the date of the filing to examine the lot and assess any remediation charges. If in the view of the Association, there exists such a condition on a lot, or as a result of initial contamination traced to a member's lot, that in the view of the Board of Directors there would be or is serious damage to human health or that serious environmental conditions exist, the Board can assess a penalty or fine in excess of the covenant violation required in the clean-up and removal of such condition as dictated by regulatory agencies fees and costs. As used in these Bylaws, the term remediation refers to the reversal of environmental damage, pollution, or contaminants requiring the use of

site assessment and testing, evaluation, pumping, in-situ oxidation, soil vapor extraction, dredging or excavation, or other methods and technologies required by law for the general protection of human health and the environment. This includes the regulatory requirements and corresponding agencies charged with evaluating and enforcing remediation areas and the costs associated with these specialized procedures.

c. Fines. The Board of Directors may adopt a system for the imposition of fines and violations of Association governing documents or rules and regulations. These impositions of fines and violations may be imposed after notice and due process of hearing.

d. Late Fees and Interest. The Association may add reasonable late fees, as well as interest of not more than 12% per annum, compounded annually, to any delinquent account and all fees and collection costs associated therein as outlined below.

e. Expenses. If the Board of Directors is required to expend any funds, with or without litigation, in pursuit of the collection of any assessments, as defined herein, including the payment of any real property or other taxes associated with the subject lot; the assertion of or defense to any claims regarding the authority, jurisdiction or exercise of any of the powers of the Association; the correction of any violation of Star Lake Community Club covenants and/or rules; or with regard to any other dispute concerning its actions and/or powers, all expenses, including but not limited to attorney, accountant, other expert, title report and surveyor fees; lot condition remediation costs; and all other costs of litigation, including court and discovery expenses; and any and all other amounts reasonably expended in the process of collection, dispute resolution or correction; shall be paid by the member responsible.

4. Non-Payment of Membership Dues. No membership shall be forfeited nor shall any member be expelled from the Association for failure to pay dues and/or assessments. However, if a member fails to pay his or her dues and/or assessment by the due date, written notice shall be mailed to that member at such address as the member has in writing requesting notices be sent, or at the site address. Said member's rights and privileges as a member are suspended until such time as the dues and/or assessment are brought current. Suspended rights include the use and enjoyment of property held by the Association, and the right to vote. A member who is not current in his or her dues may attend membership meetings and voice opinions, but may not vote.

ARTICLE IX GOVERNANCE

A. Binding Rules. The rules of the Association, including the covenants, Articles of Incorporation, these Bylaws, and other Association rules and regulations, are binding on all members. This applies to actions of members having to do with their own lots, the lots of others, common areas, or in any way arising out of membership in or use of or presence at any lot or common area within the Star Lake Community. The acceptance of an interest in title also constitutes an agreement that the member accepts Association governing documents and rules and regulations as they exist now and may be lawfully

amended in the future, for himself or herself as well as for all family members, guests and tenants.



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

C. Violation of Rules. In addition to collection of assessments, it may from time to time be necessary for legal action to be undertaken in order to correct violations of Star Lake Community covenants and/or rules, and/or to respond to claims against or about the Association or arising out of Association actions, documents, positions or in any other way. The Association itself may bring actions to correct such violations or, where the rule violated is a recorded restrictive covenant, any individual members may also do so. A corrective action, other claim, or response to a claim may be brought at law or in equity, and may request relief in the form of injunction, remediation, foreclosure, damages, attorney fees and/or collection of assessments as defined at Article VIII (G) above, or any other relief authorized by law or in equity. A member is responsible for the condition and uses of his or her lot, and its status with respect to payment of assessments. This means that if a member buys a lot that has conditions or uses associated with it that constitute violations of Star Lake Community covenants and/or rules, or has an assessment delinquency associated with it, he or she is responsible for correction of such violations in all ways as if he or she were the owner at the time of the violations, except as specifically provided otherwise herein.

D. Limitation on Actions against the Board of Directors. No legal action may be brought against the Board of Directors, its Officers, employees, and agents, committee members and/or volunteers, for failure to enforce any provisions of the governing documents or rules and regulations under any circumstances; or for mistakes made reasonably and in good faith regarding the approval or failure to approve building or other lot improvement plans. In addition, the Board, and the Directors, undertake many responsibilities for the administration of the Association. If, in the course of its work, the Board, or its Directors, fails to comply with administrative requirements as set forth herein or in other rules or regulations of the Association, and such failure is not the cause of substantial damage to any member(s) or the Association, then the remedy is to make the Board aware of any related issues, and then for the Board to reasonably cure whatever such failures, within reason, need to be cured; and legal actions may not be brought for such failures without persistent refusal by the Board to reasonably cure, and substantial resulting damage to any member(s) or the Association.

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

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

G. Non-Waiver. Failure of the Association to enforce any Association covenant, Articles of Incorporation, Bylaw, or any other rule or regulation against any member shall not operate (1) to waive the right of the Association to enforce at any time the same rule or any other rule against the same or any other member; (2) to acquiesce in the future

non- enforcement of the same or any other rule; (3) as the abandonment of the right to enforce the same or any other rule; or (4) to constitute any other defense to enforcement in any particular case. No member may rely on any such failure to enforce for any purpose.

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

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

**ARTICLE X
CERTIFICATE OF AMENDMENT**

A. Certification. We, the President and Secretary of Star Lake Community Club, certify that the above stated Bylaws were properly adopted according to all requirements as an amendment to the Bylaws of Star Lake Community Club.

B. Effective Date. The effective date of these Amended Bylaws shall be and is the 25th day of July, 2009 . All provisions of these amendments shall apply to all members and circumstances subject hereto immediately upon said date, except as otherwise prohibited by law.

BY OUR SIGNATURES HERETO, WE SO CERTIFY.

Signature Hope Hood
Hope Hood, President, Board of Directors

8-6-09
Date

Signature Sylvia Hering
Sylvia Hering, Secretary, Board of Directors

8-6-09
Date

STATE OF WASHINGTON ss. COUNTY OF MASON On this 6th day of

August, 2009, personally appeared before me Hope Hood + Sylvia Hering
personally known to me or provided to me on the basis of satisfactory evidence to be the

President and Secretary of Star Lake Community Club, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that *he/she* is authorized to execute the said instrument.

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

Affiant Known Hope Hood and Sylvia Hering

Affiant Produced ID PRINT NAME: Hope Hood + Sylvia Hering

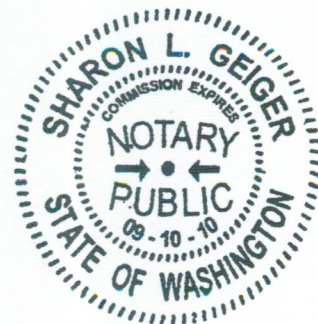
Type of ID Known

Sharon L. Geiger

NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON RESIDING IN:

Mason County

MY COMMISSION EXPIRES: 9/10/10



AMENDMENT TO BYLAWS

Amend Bylaws Article IV, K Expenditures to read:

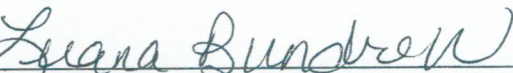
The board of Directors will not spend more than \$3,000 for purchases other than normal expenditures (such as utilities, taxes, payroll, insurance, emergency repair on club property, water and electric systems) without the approval of the general membership. All major purchases and expenditures not funded out of the annual budget will be approved by the general membership before an agreement is signed.

CERTIFICATE OF AMENDMENT

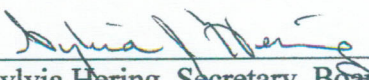
A. Certification. We, the President and Secretary of Star Lake Community Club, certify that the above stated Amendment to Bylaws was properly adopted according to all requirements as an amendment to the Bylaws of Star Lake Community Club.

B. Effective Date. The effective date of these Amended Bylaws shall be and is the 25th day of July, 2020 . All provisions of these amendments shall apply to all members and circumstances subject hereto immediately upon said date, except as otherwise prohibited by law.

BY OUR SIGNATURES HERETO, WE SO CERTIFY.

Signature 
Luana Bundren, President, Board of Directors

09-2-2021
Date

Signature 
Sylvia Hering, Secretary, Board of Directors

09/02/2021
Date

STATE OF WASHINGTON ss. COUNTY OF MASON On this 2nd day of

SEPTEMBER, 2021, personally appeared before me LUANA BUNDREN AND SYLVIA HEALING

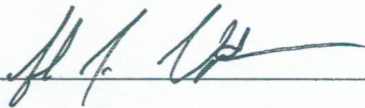
personally known to me or provided to me on the basis of satisfactory evidence to be the President and Secretary of Star Lake Community Club, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that *he/she* is authorized to execute the said instrument.

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

Affiant Known _____

Affiant Produced ID PRINT NAME: JOHN J. VAGLIENTI

Type of ID WA DRIVERS LICENSE



NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON RESIDING IN:

OLYMPIA, WA

MY COMMISSION EXPIRES: 09/09/2024

