



Lake Forest Home Association

P. O. Box 3069

Lacey, WA 98509

The following is a printed copy of a non-certified copy of the original Lake Forest Home Association By-Laws adopted on November 4, 1972. This document applies to Lake Forest Divisions I, II, and III.

BY – LAWS OF LAKE FOREST HOME ASSOCIATION

ARTICLE I

NAME AND LOCATION: The name of the corporation is Lake Forest Home Association, Inc., hereinafter referred to as the "Association." The principal office of the Association shall be located #1 South Sound Center, Lacey, Washington, but meetings of members and Directors may be held at such places within the State of Washington, County of Thurston, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS:

Section 1. "Association" shall mean Lake Forest Home Association, Inc., its successors and assigns.

Section 2. "Developer" shall mean Capital Development Company, a Washington corporation, and any successors or assigns engaged in land development and/or wholesale land sale activities which are the same as, or similar to, those of Capital Development Company.

Section 3. "Properties" shall mean that certain real property described in Article IV of the Articles of Incorporation, and such additions thereto as may hereafter be brought within the jurisdiction of Association.

Section 4. "Common Properties" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association and shall not include any streets or other areas dedicated to public use.

Section 5. "Lot" shall mean any plot of land shown upon any recorded subdivision map of the properties with the exception of the common properties and properties to be used for proposed shopping center and proposed school site, and sites part of the comprehensive plan than are designated for multifamily use.

Section 6. "Member" shall mean every person or entity who holds a membership in the Association.

Section 7. "Owner" shall mean the record owner, whether one or more persons or entities and specifically including the Developer, of the fee simple title to any lot or lots which are part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 8. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded or to be recorded in the Office of the Thurston County Auditor.

Section 9. The term "Development Period" shall mean that period of time from the date of recording of the Declaration until the date on which seventy-five percent (75%) of the properties now or hereafter platted on the property described in Article Six (VI) of said Declaration have been sold by Developer.

Section 10. The term "undeveloped lot" shall mean any lot which has not been improved by construction of a residence thereon. The term "developed lot" shall mean any lot upon which a residence has been constructed.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS:

Section 1. Membership. Every person or entity who is the record owner of a fee interest in any lot or lots which are subject by covenants of record to assessment by the Association shall be a member of the Association: Provided, however, that if any lot is held jointly by two (2) or more persons, the several owners of such interest shall designate one of their number as the "voter" The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to

and may not be separated from Ownership of any lot which is subject to assessment by the Association except that the incorporators shall be eligible for membership without regard to ownership of an interest in the properties. Incorporators who are not owners of any lot subject to assessment shall cease to be members of the Association at the expiration of two (2) weeks from the date of incorporation of the Association.

Upon transfer of the fee interest to any lot, the membership and certificate of membership in the Association shall ipso facto be deemed to be transferred to the grantee. Ownership of any such lot shall be the sole qualification for membership.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

Class A - Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B - The Class B member(s) shall be the Developer, and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes in the Class B membership;

or (b) On January 1, 1996.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Each member shall be entitled to the use and enjoyment of the common properties and facilities as provided in the Declaration. Any member may delegate his rights of enjoyment of the common properties and facilities to the members of his family or his contract purchasers or tenants who reside on the property, and, subject to regulation by the Board of Directors to his temporary guests. Such members shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegees are subject to suspension to the same extent as those of the member.

Section 2. Irrespective of the fact that Section I (a) of Article 11 of the Declaration gives the Association the right to charge reasonable admission and other fees for the use of any recreational facilities situated upon the common properties, this right shall not be exercised as to members for a period of five years from the date of the recording of the Declaration. and after this period, only upon written approval of two-thirds (2/3) of the entire membership.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than five (5) nor more than seven (7) Directors, who need not be members of the Association.

Section 2. Election. At the first annual Meeting, which shall be held not later than six months from the date of incorporation of this Association, the members shall elect two Directors for a term of two years, two Directors for a term of two years, and one Director for a term of one year: and at each annual meeting thereafter the members shall fill expired Directors terms for a term of three years.

Section 3. Removal. 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 successor shall be selected by the remaining members of the Board and shall serve for the un-expired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI

MEETING OF DIRECTORS:

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly 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 the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president or the Association or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. 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.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS:

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors, prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may each cast one vote. The names receiving the largest number of votes shall be elected

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS:

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

- (a). To adopt and publish rules and regulations governing the use of the common properties and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof,
- (b). To exercise for the Association all powers, duties and authority vested in or delegated to this Association not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (c). To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (d). To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors:

- (a). To cause to be kept 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 who are entitled to vote;
- (b). To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed,
- (c). As more fully provided herein and in the Declaration:
 1. To provide for collection and payment of taxes and assessments on common properties by owners as provided in Section I, Article IV of the Declaration;
 2. To establish, levy and assess, and collect the assessments or charges referred to in Section 2, Article I V. of the Declaration as applicable to the Association; and
 3. To send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period.
- (d). to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;
- (e). To procure and maintain liability insurance; and to procure adequate hazard insurance on property owned by the Association.
- (f). To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate. and
- (g). To cause any common properties owned by the Association to be maintained.

ARTICLE IX

COMMITTEES:

Section 1. *The Association shall appoint a Nominating Committee as provided in these By-Laws, and shall appoint an Architectural Control Committee to perform the duties and functions described in Article VIII of the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes, such as:*

- 1. A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the association and shall perform such other functions as the Board, in its discretion, determines;*
- 2. A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair, repair or improvement of the common properties, and shall perform such other functions as the Board in its discretion, determines;*
- 3. A Publicity Committee which shall inform the members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association; and*
- 4. An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular meeting as provided in Article XI, Section 8 (c). The Treasurer shall be an ex officio member of the Committee.*

Section 2. *It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Director or officer of the Association, as is further concerned with the matter presented.*

ARTICLE X

MEETING OF MEMBERS:

Section 1. Annual Meeting. *The first annual meeting of the members shall be held within six months from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year, at the hour of 7:00 o'clock P. M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.*

Section 2. Special Meetings. *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 entire membership.*

Section 3. Notice of Meetings. *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 a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. 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.*

Section 4. Quorum. *The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1 /10) of the votes of the entire membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. 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 notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.*

Section 5 Proxies. *At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.*

ARTICLE XI

OFFICERS AND THEIR DUTIES:

Section 1. Enumeration of Officers. *The officers of this Association shall be a president and vice president who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the board may from time to time by resolution create.*

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

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for three (3) years unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The board may elect such other officers as the affairs of the Association may require, each, of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time determine.

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 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.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one or any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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

President

(a) The president shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments meets and shall co-sign all checks and promissory notes.

Vice President

(b) The Vice-President shall act in the place and stead of the president, in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the members.

ARTICLE XII

ASSESSMENTS:

As more fully provided in the Declaration, each member is obligated to pay to the Association annual special assessment which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 7.75 percent 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, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XIII

BOOKS AND RECORDS:

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV

AMENDMENTS:

Section 1. *These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.*

Section 2. *In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.*

NOTE: This representation of the By-Laws includes the omission of an "Article XV", as it was omitted in the original used as the basis for this representation.

ARTICLE XVI

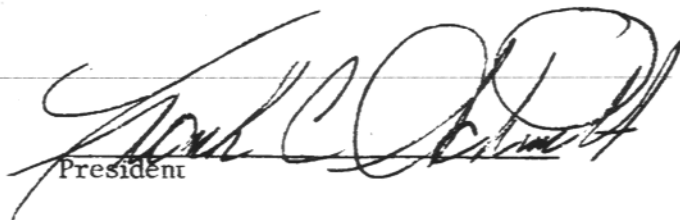
MISCELLANEOUS:

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, except that the first fiscal year shall begin on the date of incorporation.

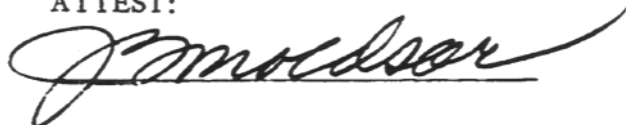
ARTICLE XVII

DATE OF ADOPTION:

These By-Laws were fully adopted by the Association and the corporate seal thereof affixed on the 4th day of Nov. 1972.


President

ATTEST:



Note: This representation of the By-Laws includes the omission of an item "Article XV", as it was omitted in the copy used as the basis for this reproduction.