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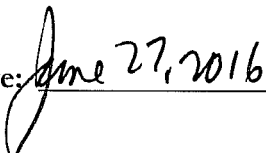
RETURN ADDRESS:

Robert D. Wilson-Hoss
Hoss and Wilson-Hoss
236 West Birch
Shelton, WA 98584

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**BYLAWS
OF
COLLINS LAKE
COMMUNITY
CLUB**

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ARTICLE I

GENERAL PROVISIONS

A. Name. The name of the Association is Collins Lake Community Club.

B. Jurisdiction. This Association has jurisdiction over all land within the Collins Lake development (“Collins Lake Community Club”), legally described as:

Plat of Collins Lake recorded under Auditor's File Nos. 219915 (1968), 226972 (1968), and 243438 (1968), and any additions to that plat, located in Mason County, Washington, 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 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 Collins Lake Community Club 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 State of Washington, including RCW chs. 24.03 and 64.38, or as amended.

D. Common Areas. The ownership of the common areas in Collins Lake Community Club 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 members, their family members and guests, and others with respect thereto, as well as with respect to the entire Collins Lake development. 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 is subject to the applicable recorded Protective Covenants of Collins Lake Community Club, 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, such as beaches, docks, the lake, parks, boat launches, green belts, water systems and facilities, and any 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. Employees, contractors and other agents are also guests.

4. Member. A member is the owner or contract purchaser of a Collins Lake lot. Any person may hold only one membership in the Association regardless of the number of lots owned.

5. Members in Good Standing. These are members with no current substantial Protective Covenant or other rule violations; and those who are no more than 90 days delinquent in the payment of any amount due to the Association, unless a repayment agreement has been reached and is complied with. Members shall not lose their status as members in good standing unless the President of the Board of Directors notifies them of the same; or they are more than 90 days delinquent in their payments, unless a repayment agreement has been reached, and is complied with.

6. Tenants. Tenants (renters) are those who compensate a member in some way for the right to live on or use a Collins Lake lot.

7. 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, they become one lot.

ARTICLE II

MEMBERSHIP

A. General. Although the Board of Directors acts in most instances on behalf of the Association, the primary authority of Collins Lake Community Club rests with its members. Members are the legal owners or contract purchasers of residential lots within the jurisdiction of Collins Lake Community Club. 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 Collins Lake Community Club. 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, tenants and family members to do so as well; all pursuant to Collins Lake Community Club'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, serve on the Association Board of Directors and its committees, and vote.

Each member in good standing also has the right to appeal any decision made by the association that adversely affects the member to the Board of Directors.

Failure to comply with Collins Lake Community Club's covenants and other rules, including the obligation to pay assessments, may result in loss of status as a member in good standing, and therefore loss of the rights to use such property and facilities, including the Collins Lake Community Club 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 lot, 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

Collins Lake Community Club 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. Multiple owners of any lot shall designate who shall cast the vote for said lot. One vote may be cast for each lot, except that any one member or multiple ownership (for example, husband and wife, or three siblings) may only cast two votes regardless of the number of lots owned. For example, a husband and wife who own three lots may cast a total of only two votes.

C. 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.

D. Meetings.

1. Annual Membership Meeting. There shall be a general annual membership meeting of the Association in June of each year.

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 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. 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 balanced discussion of the significant issues to be discussed or voted on.

4. Place. Membership meetings shall be held at such place as may be designated by the Board.

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 reasonably determined by the Board of Directors. The agenda may also include provision 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.

6. Quorum. A quorum for the transaction of business at any general membership meeting shall be ten percent of the total number of votes of eligible voters, voting in person.

7. Ballots. A member may cast his or her vote in person according to procedures established by the Board of Directors.

8. Majority. Actions of the membership shall be taken by a majority vote of the members in good standing, voting at a meeting with a quorum, except as otherwise provided by law or Collins Lake governing documents.

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 or 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 exercises ownership authority and control 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 Collins 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, Regulations and Covenants. 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; including but not limited to the Collins Lake Community Club Policies and Procedure Manual and Collins Lake Community Club Rules and Regulations.

D. Records. The Board of Directors shall keep records of the current Articles and Bylaws; a list of members, including names, addresses and email 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, and matters having to do with liability of a member to the Association. The Association may impose reasonable charges for the inspection and/or copying of the records. Members are required to provide to the board current addresses, phone numbers and email addresses as they change. The Association shall not release any email addresses or unlisted telephone numbers of members without authorization.

E. Enforcement Actions. The Board of Directors may determine whether to take enforcement action in any matter by exercising the association's power to impose sanctions or commencing an action for a violation of the declaration, bylaws and rules, including whether to compromise or settle any claim for unpaid assessments or other claim made by or against it. Factors for the Board to consider when making such determinations include, but are not limited to:

1. The extent of the seriousness of the circumstances, the Association's attempts to resolve matters by less formal means, and the member's response to those attempts;
2. Whether the association's position involves risk associated with the legal position of the association;
3. Whether a covenant, bylaw or rule involved with the circumstances may be inconsistent with law;
4. The relation between the seriousness of the circumstances and the costs of enforcement; and
5. Whether it is in the association's best interests to pursue enforcement.

ARTICLE IV

BOARD OF DIRECTORS GENERAL

- A. Number.** There shall be not less than five (5) or more than eleven (11) members of the Board of Directors. The number may be changed for good cause by the Board of Directors.
- B. Qualification.** Any member in good standing is qualified to serve as a Director.
- C. Terms of Office.** Each Director shall serve a term of two (2) years.
- D. 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. Notice of the proposed removal of a Director shall be given to such Director not less than 14 nor more than 50 days prior to the date of the meeting at which said removal is voted upon. 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 resignation of a Director is effective upon delivery of the same in writing to any officer of the Board of Directors.

E. Vacancies. If a Director is removed, becomes disqualified, or resigns, 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 resignation of a Director is effective upon delivery of the same in writing to any officer of the Board of Directors.

F. Meetings.

1. Where and When. An annual meeting of the Board of Directors shall be held immediately after the annual membership meeting at which members of the Board of Directors are elected. The Board of Directors shall hold regular meetings each month at the time and place designated by the president at the prior meeting of the Board. Special meetings may be called by the president or any two (2) or more Directors.

2. Notice. Notice of regular Director meetings shall be given by general reference in mailings to the membership, by electronic communication, web site and/or by posting on the official bulletin board at the entrance of Collins Lake. Notice of special Board of Directors meetings shall be given, when reasonably possible, to the Directors at least 48 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 48 hours prior to

the meeting, when reasonably possible, by posting notice on the official bulletin board and web site.

3. Quorum. A quorum of the Board of Directors for the transaction of business shall be a majority of the then sitting Directors.

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.

G. 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.

H. 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, when 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 or budget meeting, or at any 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.

I. Budget Reports. The Board of Directors will make available to the members budget reports, specifying performance in light of the budget.

ARTICLE V

OFFICERS

A. Election. At the annual meeting of the Board of Directors after each annual meeting of the members, the Board of Directors shall elect its President, Vice-President, Secretary, and Treasurer from among the Directors. Officers of the Association so elected shall hold office until their successors are qualified.

B. Removal. 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.

C. President and Vice-President. The President shall preside at all meetings of the Directors and members, shall sign as President on all agreements, contracts and instruments authorized by the Board of Directors, and shall be its chief executive officer. The Vice-President shall perform the duties of the President when the President is unavailable.

D. Secretary. The Secretary shall be generally responsible for all meeting notices and the minutes of all meetings of the membership and of the Board of Directors, and shall have charge of all of the Association books, records, and papers. The Secretary will be responsible for taping all meetings by a standard digital recording device.

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 will have a three (3) month training period with the outgoing treasurer when possible.

F. Execution of Documents. The President, or in the absence of the President, the Vice-President, shall sign and execute all contracts, conveyances, liens, notes and security agreements on behalf of the corporation. The same shall also be signed and executed by either the Treasurer or the Secretary. 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.

ARTICLE VI

COMMITTEES

A. General. The Board of Directors may form committees at any time for such purposes as it may deem necessary. 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. All committees shall make minutes of their meetings, and keep their minutes and other documents in the association offices.

B. Executive Committee. The Executive Committee shall be composed of the President, Vice-President, Secretary and Treasurer of the Board of Directors. The Executive Committee shall act pursuant to procedures established by the Board of Directors by Resolution.

C. 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 who are members in good standing. The Hearing Committee is responsible for adjudicating claims that a member has violated any provisions of Collins Lake governing documents or other rules.

The Hearing Committee will perform its duties pursuant to procedures as developed by the Board of Directors by Resolution, which procedures shall include provisions for appeal to the Board of Directors of any determination made by the Hearing Committee.

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, and upon payment of reasonable costs incurred to provide the same.

D. Compensation. No Director, Officer, committee member or volunteer shall be compensated for work performed as such. 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 set forth below.

E. 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.

F. 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. All members are encouraged to express their opinions constructively. When members choose to repeatedly criticize actions of the Board, the association, or other members in a way that is not constructive, but primarily destructive, the Board has the authority under the law and its governing documents to limit the ability of such members to participate in association processes, including meetings and committee and other volunteer work. Members who object to any action by the Board to limit their participation under this section are encouraged to participate in mediation regarding their issues.

G. 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 legally protected personnel matters; consultation or communications with legal counsel; likely or pending litigation; possible violations of the governing documents involving the possible liability of a member to the Association; and any other matters the privacy of which is protected by law.

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

I. Audits. 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 what

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.

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. Assessments as defined herein shall constitute a personal obligation of 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. The date of each such lien shall be the date of the recordation of the Plats of Collins Lake, as follows: Collins Lake No. 1, July 18, 1966; Collins Lake No. 2, July 26, 1966; Collins Lake No. 3, June 19, 1967; and Collins Lake No. 4, June 30, 1969.

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, 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 Collins Lake of the full amount due, as defined below; and if a lot has been improved and abandoned, as defined by state law, upon request, a court may order no redemption period.

E. Lien Priority. The lien of Collins Lake Community Club 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 Collins Lake Community Club within sixty days of its execution. The burden of proving receipt is on the lender. This automatic subordination shall only apply to amounts associated with any assessments or dues only, including expenses to collect the same; and not to any amounts associated with any property condition violations, and expenses to collect the same.

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

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

1. Membership Fee. The membership fee is chargeable per lot and payable with every title transfer of property, including private sales with or without use of a Title Company. This fee shall attach to each lot in the plat of Collins Lake, and any lots, which are added thereto.

2. Dues. The Association shall impose dues on each lot within the development, which dues shall be paid annually.

3. Special Assessments. Special assessments for particular expenses may also be imposed as specified in these Bylaws.

4. Other Charges. In addition to these 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 such utilities, goods and services as, for example, water, the use of recreational facilities, and lien filing;

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, to include not only the actual costs of remediation, but all of the administrative expenses associated with the same such as investigative costs and legal fees, as well as any reasonable rewards for information regarding the same;

c. **Fines.** Any fines, pursuant to a system for the imposition of fines for violation of Collins Lake Community Club covenants and/or rules, as adopted by the Board of Directors;

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 assessments related thereto; and

e. **Expenses and Fees.** 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 assertion of or defense to any claims regarding the personal or real property of the association; the correction of any violation of Collins Lake Community Club Covenants and/or Rules and Regulations; 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 or person or other entity responsible.

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 Collins Lake. The acceptance of an interest in title, including by private sale, 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 other 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. Member Responsibilities and Violations of Rules. It may from time to time be necessary for legal action to be undertaken in order to correct violations of Collins Lake covenants and/or rules, and/or to respond to claims against the Association. 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 and/or collection of assessments as defined at Article VIII (8) 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. This means, among other things, that if a member buys a lot that has conditions or uses associated with it that constitute violations of Collins Lake covenants and/or rules, 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.

One of the Collins Lake rules is that members are responsible for ensuring that their lot conditions, and actions of themselves and their family members and guests, also comply with federal, state and local requirements, including but not limited to Mason County zoning, planning, and health department requirements. Collins Lake does not have the ability to pay for extensive permitting and enforcement processes, nor does it want to assess its members to pay for these. Instead, Collins Lake adopts federal, state and local rules to make sure that members comply with those rules, and if members do not, the failures to comply are therefore violations of Collins Lake rules, including this Bylaw.

D. Limitations on Actions. No legal action may be brought against the Association or its Board of Directors, 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.

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, Article 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 of Bylaws. The provisions of these Bylaws shall apply to all circumstances existing at the time of their adoption, except when to do so would substantially 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 reasonably 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 representing twenty percent of the total votes of the Association. 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

WATER SYSTEM

A. Use of Facilities. Each lot on the Plat of Collins Lake, shall be entitled to a one inch (1") connection to corporation's water distribution system upon signing a user agreement and payment for any, meter, capital assessment or other charges prescribed by the Board of Directors.

B. Waterline Connection. Collins Lake Community Club shall have the final authority of location of a service line connection to the water system and allocation of water to all members. Collins Lake community Club may shut off the water service to a

member who supplies water to other individuals or those who are delinquent in water payments. During periods of water supply problems, notice of insufficient water will be posted and members may be assigned a water schedule in order to meet the needs of all the members.

C. Meter Connections. All connections shall be metered with meters approved by the association. Meters added to existing lines shall be at the expense of the owner. No more than one household shall be served per connection. "Household" as used herein shall mean one dwelling with appurtenant buildings such as garage, guesthouse or trailer.

D. Access and Repairs. The association shall have the right of access to each of the lots within Collins Lake Community to make necessary repairs to association property and/or facilities, upon notice to the member that is reasonable under all the circumstances. The association shall have the right to charge the member for such repairs where the member has the obligation to make such repairs, and the member has been given a reasonable opportunity to do so, but has not done so.

It shall be unlawful for any person to disturb, interfere with or damage any water main, water pipe, shut-off valve, meter or any other appurtenances belonging to, connected with, or under the control of the corporation. The Board of Directors is authorized to levy a fine, which will be charged to the owner or purchaser who so tampers with the above listed corporation property. This provision is not intended to prevent owners and purchasers from working on their water lines from the corporation's connection, but permission is required prior to disturbance of any of the water lines or appurtenances owned by the corporation. This permission may be obtained from the Board of Directors.

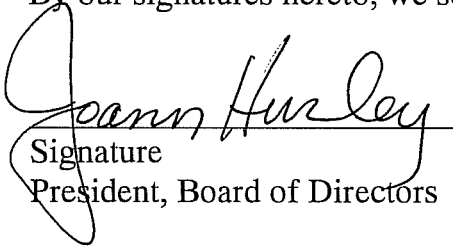
ARTICLE XI

CERTIFICATION OF AMENDMENT

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

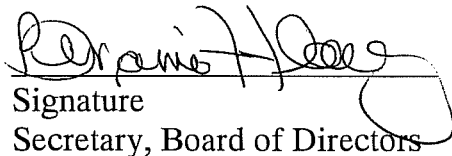
B. Effective Date. The effective date of these Amended Bylaws shall be and is the 15 day of March, 2016. All provisions of these amendments shall apply to all members and circumstances subject hereto immediately upon said date, except as otherwise prohibited by law.

By our signatures hereto, we so certify.


Signature
President, Board of Directors

Joann Hurley
Printed Name

3/15/16
Date


Signature
Secretary, Board of Directors

Benjamin Fkenig
Printed Name

5/20/16
~~3/20/16~~
Date

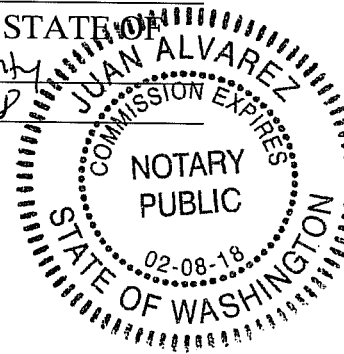
STATE OF WASHINGTON)
 King) ss.
COUNTY OF ~~MASON~~)

On this 15th day of March, 2016, personally appeared before me Joann Hurley, personally known to me or provided to me on the basis of satisfactory evidence to be the President of Collins 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 above written.

Affiant Known _____
Affiant produced ID
Type of ID WA DL

[Signature]
PRINT NAME: Juan Alvarez
NOTARY PUBLIC IN AND FOR THE STATE OF
WASHINGTON, residing in King County
My commission expires: 02/08/2018



STATE OF WASHINGTON)
 Klitsch) ss.
COUNTY OF ~~MASON~~)

On this 20th day of MAY, 2016, personally appeared before me BENJAMIN FLANIG, personally known to me or provided to me on the basis of satisfactory evidence to be the Secretary of Collins 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 above written.

Affiant Known _____
Affiant produced ID
Type of ID WA DL

[Signature]
PRINT NAME: M.C. ANDERS
NOTARY PUBLIC IN AND FOR THE STATE OF
WASHINGTON, residing in BLUWERTON
My commission expires: SEPTEMBER 19, 2019

BYLAWS OF COLLINS LAKE COMMUNITY CLUB

