

This document is the Proposed Bylaws the Board of Directors is asking you to review and provide comment. The words in red are what was added or revised to the Proposed Bylaws, the words in blue are the explanations for the additions and revisions.

BYLAWS OF LAGOON POINT COMMUNITY ASSOCIATION INC.

Last Revised April 23, 2014 and Amended as of TBD

PROPOSED BYLAWS 09/20/18

Grantor: Lagoon Point Community Association

Grantee: Members

Except as specified herein, the term “Lot” for purposes of assessment and voting shall mean “Lot as originally delineated in the Plat of Lagoon Point and subsequent plat amendments by which additional divisions were added”. **Moved from last page of current Bylaws. This statement explains the definition of a Lot.**

Abbreviated legal description: All Lots in the plat of Lagoon Point Division 1, Division 2, Division 3, Division 4 and Lagoon Point View Tracts.

BYLAWS OF LAGOON POINT COMMUNITY ASSOCIATION, INC.

Last amended ~~April 23, 2014~~ TBD

The name of this organization shall be and is: Lagoon Point Community Association, Incorporated (LPCA) or “Association”. The Lagoon Point Community Association is a homeowners’ association and, except as otherwise specified herein, shall conduct itself according to the authorities and responsibilities set out in Washington State’s home owners’ association statute **64.38 and 24.03 RCW in effect as the date of these revised Bylaws and in accordance with any amendments or updates to 64.38 and 24.03 RCW. Added the RCW statutes.**

The purpose of this association shall be to develop and maintain the common properties in the plat of Lagoon Point.

ARTICLE I: MEMBERSHIP AND VOTING

SECTION 1: MEMBERS

Membership in the Association is as follows:

- A. All persons who own a Lot in the plat of Lagoon Point Divisions 1, 2, 3, 4 or Lagoon Point View Tracts are Members of the Association.
- B. Voting shall be by Lots owned, with each Lot entitled to one vote.
- C. Members are entitled to participate in the discussions and matters before this Association.
- D. Mailings, including (but not limited to) billing statements, meeting notices and ballots shall be sent to the recorded name and address of each Member as maintained in the roster of Members.
 - 1. Members are responsible for notifying a LPCA Officer of their current mailing address, phone

number and email address.

2. A Member shall receive mailings by the following:

- a. Mailed by U.S. Postal Service to the recorded address of the Member;
- b. or delivered electronically at the discretion of the Board of Directors and with the Member's approval.

E. Lots which have been legally combined into one Lot under the Lot combinations authority of Island County Code, Section 16.06, other applicable law, and provided they are single residential building sites, shall be deemed to be one Lot and assessed accordingly.

1. The number of votes assigned to a Member under various provisions of the Bylaws shall concurrently be adjusted in like manner.
2. To put into effect this reduction in assessment and voting rights, the Member of the combined Lots shall first provide the LPCA President adequate documentation of Island County's approval of said Lot combination.
 - a. Assessments levied after the date of adoption of this rule or the date the owner of the Lot has provided the LPCA the required documentation, whichever date is later, shall be adjusted accordingly.
 - b. Assessments levied prior to the date of adoption of the rule set forth in this subsection or prior to a Member providing the documentation specified in subsection E. 2, shall not be adjusted retroactively.
 - c. Member's providing necessary documentation during a fiscal year will not apply to that year but will take effect the next fiscal year (starting July 1st). Assessments will not be prorated for any portion of any year.
3. When a Lagoon Point lot is subdivided or converted to multi-unit residences, as allowed under these Bylaws, each of the resulting lots or residential units will be assessed separately.

Subsection E. is the rule enacted by the LPCA Board and effective February 17, 2009, moved the rule from the last page of the Current Bylaws and inserted in this section of the Proposed Bylaws.)

SECTION 2: VOTING

A. Voting Rights:

1. Each Member has a right to vote by ballot at each meeting of the Association or by mail in ballot for the election of Directors and other matters that are not within the powers of the Board of Directors as may lawfully come before the meeting. **Added per Attorney Recommendation.**
2. Each Member shall be entitled to one vote for each lot owned by such Member on each matter submitted to a vote of the Members.

B. Joint Member Disputes: **Subsection B added per Attorney Recommendation.**

1. The vote for a lot must be cast as a single vote and fractional votes shall not be allowed.
2. Since a lot may be owned by a corporation, partnership, marital community, limited liability

company, trust or other legal entity involving or comprising multiple persons, any director, officer, partner in, or trustee of any such entity may be deemed the Member thereof to cast the vote for such Lot.

3. Where a Lot is owned by more than one person, if only one of such persons is present at a meeting of the Association, in person, or ballot, such person is entitled to cast the vote allocated to that Lot.
4. If more than one of the multiple persons comprising a Member are present, such Member's vote may be cast only in accordance with the agreement of a majority in interest of such multiple persons.
5. There is majority agreement if any one of the multiple persons casts a vote for such Member without protest being made promptly to the person presiding over the Meeting by any of the other persons comprising the Member.

In the absence of majority agreement, the conflicting votes shall be deemed an abstention of the vote for such lot.

C. Voting by Ballot:

1. Votes allocated to a Lot shall be cast by ballot only.
2. A ballot shall not be valid unless it is signed by the Member and received by the Association on or before the date and time of the meeting as directed in the notice of the meeting.
Revised per Attorney Recommendation.
3. A ballot may consist of any form prepared by the Board, in written or electronic form, designed to obtain votes on matters constituting the business of the meeting.
4. A ballot may be delivered by electronic transmission in accordance with procedures previously approved by resolution of the Board in compliance with the provisions of RCW 24.03.085.
Added per Attorney Recommendation.
5. Original ballots shall be retained for three years. **Moved from Article III Section 6 in the Current Bylaws.**

D. Voting Procedure. **Subsection D added per Attorney Recommendation for explanation see "Summary of Proposed Bylaw Changes" item 1.**

1. Unless otherwise required under the documents governing the Association or by law, the vote of Members holding a majority of the votes cast by ballot at any meeting of the Association shall be sufficient to decide any item of business at that meeting.
2. Ballots shall be served with the notices of such meeting.
3. Voting shall be conducted by ballot vote of Members who may either mail in the ballot by the date of the meeting or submit the ballot in person at the meeting.

E. Matters pertaining only to Divisions 2-3-4 and to the election of a Member of the Architectural Committee shall be governed by Divisions 2-3-4 Covenants. **Added per Attorney Recommendation.**

G. Results of the voting shall be announced at the next Board of Director's meeting and published in the

next LPCA Newsletter.

ARTICLE II: ASSESSMENTS & BUDGETS

SECTION 1: ANNUAL ASSESSMENTS AND SPECIAL ASSESSMENTS

- A. Fiscal Year is defined as July 1 to June 30.
- B. Each Member is obligated to pay annual assessments each year and special assessments as specified in each special assessment approved by Members.
- C. Annual assessments are used for:
 - 1. funding the Fiscal Year Operating Budget as specified in these Bylaws;
 - 2. building cash reserves to fund projects for maintenance, repair and improvement of common properties as specified in these Bylaws.
- D. Special assessments are used for:
 - 1. eliminating a shortfall in the reserve funds;
 - 2. purposes as approved by the Membership in accordance with the provisions of these Bylaws.
- E. Annual assessments and special assessments shall be paid to the Association as follows:
 - 1. Annual assessments – are due on or before the first day of July each year unless otherwise approved by the Board of Directors.
 - 2. Special assessments – are due on or before the date specified for each special assessment.
- F. Billing statements for the annual assessments and special assessments shall be delivered at least 30 days prior to the required due date.
- G. **Annual Assessments/Budgets: Subsection G added per Attorney Recommendations and RCWs.**
 - 1. Within thirty days after adoption of any proposed budget for the common interest community, the Board of Directors must provide a copy of the budget to all the Members and set a date for a meeting of the Members to consider ratification of the budget not less than fourteen nor more than fifty days after providing the budget. RCW 64.38.025 (3)
 - 2. Unless at that meeting the Members to which a majority of the votes in the Association are allocated reject the budget, the budget and the assessments against the Lots included in the budget are ratified, whether or not a quorum is present. RCW 64.38.025 (3) See “Summary of Proposed Bylaws Changes” Item B. for further explanation for the meaning of this statement.
 - a. If the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Members continues until the Members ratify a subsequent budget proposed by the Board. RCW 64.38.025 (3)
 - b. The budget shall include the following per RCW 64.38.025 (4) a-g
 - (1) The projected income to the Association by category;

- (2) The projected common expenses and those specially allocated expenses that are subject to being budgeted, both by category;
- (3) The amount of the annual assessments and/or a special assessments per lot and the date the assessments are due and the purpose of the assessments
- (4) The current amount of annual assessments budgeted for contribution to the reserve account;
- (5) A statement of whether the Association has a reserve study that meets the requirements of RCW 64.38.070 and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and
- (6) The current deficiency or surplus in reserve funding expressed on a per lot basis.

H. Special Assessments.

1. The Board, at any time, may propose a special assessment.
2. The assessment is effective only if the Board follows the procedures for ratification of a budget described in subsection (G) of this Section and the Members do not reject the proposed assessment as set forth in subsection G.
3. The Board may provide that the special assessment may be due and payable in installments over any period it determines and may provide a discount for early payment.

SECTION 2: PENALTIES

Members whose annual assessments or special assessments and related accrued penalties are not fully paid by the specified date, without a special payment arrangement approved by the Board in accordance with payment plan requirements of these Bylaws, shall be subject to the following penalties for all amounts remaining unpaid as of the applicable due date, whether or not the billing statements have been received by the Member, provided billing statements have been sent to the Member's recorded mailing address in accordance with notifying the Association of a Member's current mailing address requirements of these Bylaws. Payments postmarked by the due date shall be deemed to have been paid on time.

The following penalties shall occur when a Member's annual assessments and/or special assessments are past due: **For an explanation of the following changes see the "Summary of the Proposed Bylaw Changes" item C.**

A. Past Due Thirty Days:

A one-time \$100 late fee per delinquent Lot shall be charged to the Member's account.

B. Past due Ninety Days:

1. A lien shall be placed on the delinquent Lot(s) owned and the full cost of filing and satisfying said lien shall be charged to the Member's account.
2. All costs incurred in attempting to collect the amounts due, including all actual attorney's fees and costs, filing fees, court costs and other expenses incurred in the collection effort shall be included in the amount owed on the delinquent account and must be paid by the Member prior to release of the lien.

C. Past Due One Hundred Twenty Days:

1. An annual 12% of the accrued outstanding unpaid annual assessments, special assessments and penalties shall be charged to the Member's account from the original due date of such pass due

amount until such unpaid assessments and penalties are paid in full, including all accrued interest.

2. By a majority vote of the Board, a Member's Association privileges shall be suspended. (Example: community boat ramp Lot C electronic gate card).

Privileges shall be reinstated when all annual assessments, special assessments, penalties and all expenses incurred in the collection effort is paid in full by the Member.

3. The Board may take all legal action to collect annual assessments, special assessments, penalties and all accrued interest including, without limitation, foreclosure in the manner of a mortgage. This statement "manner of a mortgage" specifies the process in which foreclosures are to be conducted.

D. The Member shall be liable for all unpaid amounts:

1. Amounts due specified in this Section of these Bylaws.
2. All costs incurred in attempting to collect the amounts due.
3. All costs of foreclosure proceedings, including:
 - a. all related attorneys' fees and costs;
 - b. filing fees;
 - c. court costs;
 - d. other expenses incurred in the collection effort.
4. All such amounts shall be paid in full and the Member's account brought current to avoid foreclosure.

E. Payment Plans: If a Member demonstrates to the Board that the annual assessment and/or special assessment constitute an extreme financial hardship, the Board may, in its sole and exclusive discretion, enter into a payment plan with such Member provided:

1. When the payment plan goes beyond one year, a lien shall be placed on the Member's Lot at the end of the first year of such payment plan.
2. The full cost of filing and satisfying said lien shall be charged to the Member's account.
3. The payment plan will be for one year. The plan may be renewed per majority vote of the Board.

Subsection E is added to the Proposed Bylaws to provide instruction on how to implement payment plans.

F. The provisions for recovering costs of collection efforts set out in this section of these Bylaws shall apply to all collection costs incurred on or after the date of these revised/amended Bylaws.

SECTION 3: FISCAL YEAR OPERATING BUDGET

A. Each Fiscal Year Operating Budget shall provide for maintenance and improvement of the Association's common properties and shall contain general categories for:

1. The Administration category provides the annual funding for administration costs, utilities, accounting, legal and insurance for the common properties.
2. The Maintenance Operations category provides annual funding for maintenance and improvements

of the common properties and facilities of the common properties.

- B. All funds remaining in the Fiscal Year Operating Budget at the end of the fiscal year shall be applied to the Reserve Fund account(s). Policy Change - Current Bylaws state “that all remaining funds at the end of any fiscal year may be used to fund general operating and maintenance expenses during the next fiscal year”. The Proposed Bylaws states “all remaining funds applied to the Reserve Fund Account(s). This change was made because the Association has already voted on the next Fiscal Year Budget and Assessments before the current Fiscal Year has been completed. By putting the remaining funds in the Reserve Account(s) this will effect future assessments for the Reserve Fund.
- C. Fiscal Year Operating Budget shall be approved by a ballot vote of the Members per this Article II, Section 1, subsection G.
- D. Following approval of the Fiscal Year Operating Budget, the budget shall go into effect at the beginning of the next fiscal year (July 1 through June 30) and a billing statement shall be sent per Article II Section 1 F.

SECTION 4: RESERVE ACCOUNTS

- A. The reserve accounts shall provide for building cash reserves to fund major projects related to maintenance, repair, replacement and improvement of common properties for a period of 30 years.
- B. Reserve account funds shall be invested in interest bearing accounts that are fully insured by a U.S. government agency.
- C. Withdrawals from and repayment to reserve accounts to pay for unforeseen or unbudgeted costs that are unrelated to maintenance, repair or replacement of the reserve components shall comply with RCW 64.38.075 Added per RCW
- D. Reserve Accounts shall be separately accounted for.
- E. Each major project shall be separately accounted for.
- F. The following is the approval process for the expenditure of funds from the Reserve Accounts:
 - 1. All major projects for maintenance, repair, improvements or replacements of common properties to be funded by reserve accounts shall be approved by a ballot vote per Article II, Section 1, subsection G.
 - 2. The Board, by a majority vote, is authorized to spend no more than 12% of total current fiscal year annual assessments out of the reserve account(s) in any 1 year for the maintenance and upkeep of the common properties without prior notice to, and a favorable vote, by a majority of the Members. Inserted from Resolution dated April 23, 1977 and revised. For an explanation of the revision see the “Summary of the Proposed Bylaw Changes” item E.
 - 3. The Board is authorized to spend funds out of the reserve accounts(s) exceeding the threshold in subsection F. without a vote of the Members in the event of an Emergency. “Emergency” is defined as unforeseen circumstances beyond the control of the Board that may result in material loss or damage to property, bodily injury, liability or loss of life if immediate action is not taken.
 - 4. The Board is authorized to spend no more than 2% of total current fiscal year annual assessments

and in any 1 year for new improvements to the common properties without prior notice to and a favorable vote by a majority of the Members. **Inserted from Resolution dated April 23, 1977 and revised. For an explanation of the revision see the “Summary of the Proposed Bylaw Changes” item E.**

The 2% shall be withdrawn from the Fiscal Year Operating Budget and/or Reserve Accounts as approved by a majority vote of the Board in compliance with RCW 64.38.075. **Added per RCWs.**

- G. Reserve Study – the decision relating to the preparation and updating of a reserve study shall be made by the Board of Directors in accordance with RCW 64.38.65. **Added per RCWs.**

SECTION 5: DIVISIONS 2-3-4 FUNDS

- A. In addition to the provisions contained in the Plat of Lagoon Point, Divisions 2-3-4 are further governed by the covenants applicable to Divisions 2-3-4 in accordance with the Division 2-3-4 Architectural Committee (the “Architectural Committee”) requirements specified in these Bylaws.

1. Members who own Lots in Divisions 2-3-4 of the Plat of Lagoon Point are further obligated to pay in addition to the LPCA assessments, assessments for Divisions 2-3-4 Special Waterway Fund and Operating Fund, as provided for in the covenants of Divisions 2-3-4 and amendment thereto.
2. Divisions 2-3-4 Special Waterway Fund and Operating Fund assessments shall be approved by vote of Divisions 2-3-4 members in accordance with the voting requirement specified in the Division 2-3-4 Covenants, applicable state law, and any amendments thereto.
3. The Divisions 2-3-4 Special Waterway Fund and Operating Fund are the sole property of Divisions 2-3-4 Members per Division 2-3-4 Covenants.

- B. LPCA shall provide the following with respect to the Divisions 2-3-4 Special Waterway Fund and Operating Fund:

1. The assessments for the Divisions 2-3-4 Special Waterway Fund and Operating Fund shall be included in the LPCA billing statements sent to the Members.
2. LPCA will collect the assessments for Divisions 2-3-4 Special Waterway Fund and the Operating Fund;
3. Shall provide temporary accounting of the assessments collected.

The authority and liability of LPCA is limited to the collecting, accounting and transfer of said Funds to the Division 2-3-4 account(s).

4. LPCA will hold the Divisions 2-3-4 funds for the Architectural Committee or, in the event the Architectural Committee establishes its own bank accounts, will forward those funds to the Architectural Committee after collecting the same and deducting the applicable charges pursuant to subsection C below. **Added per Attorney Recommendation.**

- C. The Divisions 2-3-4 Operating Fund will reimburse the LPCA General Operating Fund for LPCA’s direct costs of collecting and administering the funds of Divisions 2-3-4.

SECTION 6: FINANCIAL AUDITS Section was added per RCWs.

- A. Financial statements shall be audited at least annually by an independent Certified Public Accountant,

provided however, an audit may be waived if 67% of the votes cast by Members approve to waive the audit. RCW 64.38.045 (3).

1. Each year Members shall vote to either waive an audit or to authorize the cost of an audit by a Certified Public Accountant with the following stipulation:

The audit will be conducted in no more than ninety days after the close of the current fiscal year.

2. The Board with a majority vote may order an audit or other financial examination. The results of such audit or financial examination shall be communicated to the Members via the next newsletter and/or electronic mail.

ARTICLE III: BOARD OF DIRECTORS

SECTION 1: COMPOSITION OF BOARD OF DIRECTORS

- A. The Board of Directors shall consist of 12 positions:
 1. Six Officers: President, Vice President, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer.
 2. Six Area Representatives: One from each of the six Areas defined in this article.
- B. A Board Member's position shall not be shared by two or more persons.
- C. A Board Member shall not delegate its voting authority to another Member.

SECTION 2: QUALIFICATIONS FOR OFFICE

- A. The qualifications for the Board and candidates are as follows:
 1. Shall own property in the plat of Lagoon Point;
 2. Shall not be delinquent in their LPCA assessments and penalties;
 3. Area Representatives and candidates shall own property in the area they represent.

SECTION 3: TERMS OF OFFICE

- A. The six Officers shall each serve for 1 year or until their successors are elected.
- B. Representatives for Area 1, 3, and 5 will be elected in even-numbered years and will serve 2 years or until their successors are elected.
- C. Representatives for Area 2, 4 and 6 will be elected in the odd-numbered years and will serve 2 years or until their successors are elected.
- D. Each Board Member shall serve from **July 1** following their election through **June 30** of the last year of their term. See **"Summary of Proposed Bylaws Changes" item A. 3**

SECTION 4: AREAS

The six areas are defined as follows:

- A. AREA 1 shall be that part of the Plat of Lagoon Point Division 1 that contains the following:

Block 1 Lots 1-33
Block 2 Lots 1-16

Block 3 Lots 1-54
Block 4 Lots 1-31

Area 1 Lots are located at the top of the bluff north and east of Westcliff Drive.

Current Bylaws states Block 1 Lots 1-23, this was a typo error.

- B. AREA 2 shall be that part of the Plat of Lagoon Point Division 1 and all of the Plat of Lagoon Point View Tracts that contains the following:

Block 8 Lots 1-34
Block 9 Lots 1-13

Lagoon Point View Tracts Lots 1-22

Area 2 Lots are located at the top of the bluff south of Westcliff Drive.

- C. AREA 3 shall be that part of the Plat of Lagoon Point Division 1 that contains the following:

Block 7A Lots 1-7
Block 9 Lots 14-34

Block 9A Lots 1-13
Block 11 Lots 1-25

Area 3 Lots are located at the base of the bluff east of Shorewood Avenue from Salmon Street on the south to Seashore Avenue on the north; and east of Shell Street from Seashore Avenue on the south to the intersection of Shell Street and Westcliff Drive to the north.

- D. AREA 4 shall be that part of the Plat of Lagoon Point Division 1 that contains the following:

Block 5 Lots 1-7
Block 6 Lots 1-23

Block 6A Lots 1-3
Block 7 Lots 1-29

Area 4 Lots are bounded by Seashore Avenue on the south, Puget Sound on the west and Shell Street on the east; the lots along Ronald Promenade.

- E. AREA 5 shall be that part of the Plat of Lagoon Point Division 1 and all of the Plat of Lagoon Point Point Division 2 that contains the following:

Division 1 Block 11 Lots 35-41
Block 12 Lots 1-16

Division 2 Lots 1 - 59

Area 5 Lots are located south of the main waterway and bounded by Puget Sound on the west, a line midway of the West Canal on the east and Salmon Street on the south; all lots along the north side of Salmon Street west of Steelhead Drive.

- F. AREA 6 shall be all of the Plat of Lagoon Point Division 3 and all of the Plat of Lagoon Point Division 4 that contains the following:

Division 3 Lots 1-36

Division 4 Lots 1-78

Area 6 Lots are located south of the main waterway bounded by a line midway of the West Canal on

The west, Shorewood Avenue on the east and Salmon Street on the south; but excluding the Lots along the north side of Salmon Street west of Steelhead Drive.

SECTION 5: NOMINATING CANDIDATES FOR ELECTION TO THE BOARD OF DIRECTORS

- A. The Nominating Committee shall consist of the six Area Representatives.
- B. At a **February** regular meeting of the Board, the President shall direct the Nominating Committee to recruit LPCA Members to stand for election to the Board later that year. **Policy Change – to coincide with current fiscal year to allow for one Annual General Meeting. See “Summary of Proposed Bylaw Changes.**
- C. A call for volunteers to run for office shall be published in the Newsletter following the **February** Board meeting. **Policy Change – to coincide with current fiscal year to allow for one Annual General Meeting. See “Summary of Proposed Bylaw Changes.**
- D. The Nominating Committee shall verify that each nominated person is eligible and willing to run for the office.
- E. The next newsletter shall announce the upcoming election, a description of the voting process, a roster of the candidates and a brief statement by each candidate.

SECTION 6: VOTING FOR DIRECTORS AND ASSUMING OFFICE

- A. The **April** election date shall be set at the Board’s **February** regular **scheduled** meeting. **Policy Change – to coincide with current fiscal year to allow for one Annual General Meeting. See “Summary of Proposed Bylaw Changes.**
- B. All nominated eligible candidates shall be included on the ballot.
- C. Voting for the Board of Directors shall be conducted by ballot vote of Members who may either mail in ballots by the voting deadline or by submitting the ballot in person at the Annual General Meeting. Any vote for a Board Member shall comply with the voting requirements specified in these Bylaws.
- D. For election of Officers and Area Representatives, the candidate with the most votes shall be elected with no minimum total vote required.

If one candidate is nominated for a position and running unopposed, the election may be made by acclamation.
- E. Voting for an Area Representative is limited to Members who own property in that Area.
- F. Election results shall be announced at the Board’s next regularly scheduled meeting after the Annual General Meeting and in the next newsletter.
- G. Newly elected Officers and Area Representatives shall take office on **July 1 of the year in which the vote occurred. Policy Change – to coincide with current fiscal year to allow for one Annual General Meeting. See “Summary of Proposed Bylaw Changes.**

SECTION 7: REMOVAL OF DIRECTORS

A. A Member of the Board shall automatically be removed if the Member:

1. No longer owns property in the plat of Lagoon Point and Area Representative no longer owns property in the area they represent.
2. Delinquent in the LPCA annual assessments, special assessments and/or penalties;

B. A member of the Board may be removed with or without cause pursuant to the process set forth in RCW 64.38.025

1. An Officer may be removed upon approval by a two-thirds of votes cast by ballot of the Membership in accordance with the voting requirements specified in these Bylaws.
2. Area Representative may be removed upon approval by a two-thirds of votes cast by ballot by the Membership in the area of the Representative in accordance with the voting requirements specified in these Bylaws.

Item B. added per RCW

SECTION 8: FILLING BOARD VACANCIES

If a Board position becomes vacant, a majority of the remaining Board may appoint an eligible and willing Member to fill the position until the next scheduled election.

SECTION 9: GENERAL DUTIES AND RIGHTS OF BOARD MEMBERS

This Section was added per Attorney Recommendation for explanation see “Summary of Proposed Bylaw Changes” item F.

A. Duty of Care.

1. A Director shall perform the duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Association, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.
2. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:
 - a. One or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matter presented;
 - b. Legal counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such person's professional or expert competence; or
 - c. A committee of the Board upon which the Director does not serve, duly designated in accordance with a provision in the Bylaws, as to matters within its designated authority, which committee the Director believes to merit confidence; so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

B. Duty of Loyalty - Conflict of Interest.

1. The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Association and consistent with the purposes set forth in these Bylaws.
2. No contract or other transaction between the Association and any Director, or between the Association and any corporation, firm entity or association in which the Director is an officer or Director or is pecuniarily or otherwise interested, shall be either void or voidable because such Director is present at the Meeting of the Board of Directors which authorizes or approves the contract or transaction, if the fact of the common directorate or other interest is disclosed or known to the Board of Directors or a majority thereof and noted in the minutes, and the Board of Directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose.
3. Directors who have a financial interest or other personal interest in the transaction may be counted in determining the presence of a quorum at any Meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, but such Directors must abstain from voting.
4. If disclosures and decisions are not made as required by this subsection, the contract or transaction may be voidable at the instance of the Association, and affected Director may not be insulated from liability for any harm suffered by the Association as a result of entering into the contract or transaction.

C. Right to Indemnification.

1. The Association shall indemnify and hold harmless each of the Directors and Officers from and against all contractual liability to others arising out of actions taken or contracts made by the Board of Directors or Officers on behalf of the Association or the Members unless such action or contract was made in bad faith or contrary to the provisions specified in any documents governing the rights and obligations of the Board of Directors and Officers to act on the behalf of the Association.
2. Directors and Officers shall not be personally liable for contracts made by them on behalf of the Association.
3. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that (s)he is or was a Director or Officer of the Association against amounts paid in settlement incurred by him or her in connection with such action, suit or proceeding if (s)he acted in good faith and in a manner (s)he reasonably believed to be in, or not opposed to, the best interests of the Association, to the fullest extent authorized by RCW 23B.08.320, and 23B.08.500 through 23B.08.600, and any amendments thereto, irrespective of the fact that the Association is not incorporated under RCW 23B. See RCW 23B.17.030.

ARTICLE IV: DUTIES OF OFFICERS AND AREA REPRESENTATIVES

The following sections describes duties of the Board. The duties of the Board are understood to include such other duties applicable to each office as prescribed by the parliamentary authority adopted by LPCA.

SECTION 1: PRESIDENT

A. The President shall:

1. The principal executive officer, with responsibility for supervising the affairs of LPCA;
2. Preside at all Member's meetings and Board meetings;
3. LPCA's agent for all matters relating to LPCA business;
4. Authorize that all expenditures according to these Bylaws are approved by the Board;
5. Receive Member's suggestions and complaints of LPCA related issues and resolve or assist to an acceptable solution.

SECTION 2: VICE PRESIDENT

A. The Vice President shall:

1. Assume all duties of the President during the President's absence;
2. Assist the President as requested.

SECTION 3: SECRETARY

A. The Secretary shall:

1. The custodian of all records and is responsible for the safe keeping and keeping up to date LPCA documents except those specifically assigned to other Board Members;
2. Keep accurate and make available minutes of all meetings of LPCA including the annual general meeting of Members, special meetings and Board meetings;

Upon request of the President read such minutes to the Membership,

3. Provide notice of all meeting as required under these Bylaws in accordance with meeting requirements specified in these Bylaws;
4. Keep a register of all Members by Lot number and name;
5. Prepare, execute, certify and record amendments and revisions to the governing documents on behalf of LPCA;
6. Sign all certified copies of acts on behalf of LPCA;
7. In the absence of the President and Vice president, call the meeting to order and preside until the election of a chair for the meeting;

B. A portion of these duties and responsibilities are delegated by the Secretary to the Assistant Secretary.

SECTION 4: ASSISTANT SECRETARY

A. The Assistant Secretary shall:

1. Work with the Secretary and perform any duties and/or responsibilities delegated by the Secretary;
2. Familiar with the duties and responsibilities of the Secretary;
3. Perform all duties of the Secretary whenever the Secretary is absent from any meeting or is absent from the community for a specified period of time.

SECTION 5: TREASURER

A. The Treasurer shall:

1. Procure a bond in such amount as may be required by the Board for the protection of the LPCA and LPCA assets, the premium to be paid by LPCA;
 2. The custodian of all funds of the LPCA and shall be kept in the name of the LPCA and shall not be co-mingled with the funds of any other association or person.
 3. The custodian of Divisions 2-3-4 Special Waterway Fund and Operating Fund unless these funds are held by the Architectural Committee per Article II Section 5 D.
 4. Deposit all funds in interest bearing accounts that are fully insured by US government agency;
 5. Prepare and send to each Member billing statements for annual assessments and any special assessments in accordance with requirements specified in these Bylaws.
 6. Pay designated line items in the annual budget when due and non-designated line items as approved by the Board;
 7. Maintain income and expense accounting in accordance with generally accepted accounting principles and as requested by the Board;
 8. At least annually or upon request by the President or a majority of the Board, prepare or responsible for the financial statement of all accounts, assets and liabilities
 9. Prepare, notarize and file with Island County all liens authorized under these Bylaws and file a release of liens when all annual assessments, special assessments and/or penalties related to a lien has been paid.
 10. Prepare and present financial records for audit;
 11. Turn over to his/her successor in office all LPCA funds and property in his/her possession, together with an accounting of same.
- B. The signing of checks shall be in accordance with standard banking procedures. The Treasurer, President, Vice President and Assistant Treasurer are authorized to sign.
- C. A portion of these duties and responsibilities are delegated by the Treasurer to the Assistant Treasurer.

SECTION 6: ASSISTANT TREASURER

A. The Assistant Treasurer shall:

1. Work with the Treasurer and perform those duties and/or responsibilities delegated by the Treasurer;
2. Familiar with the duties and responsibilities of the Treasurer;
3. Work with the Treasurer to invoice and collect Membership assessments.
4. Perform all duties of the Treasurer whenever the Treasurer is absent from the community for an extended period of time.

SECTION 7: AREA REPRESENTATIVES

A. The Area Representatives shall:

1. Are Members of the Nominating Committee;
2. Act as a community liaison by keeping in touch with all Members in their respective areas and report Member's concerns to the Board.
2. Welcome new neighbors in their area into the community;
3. Inform the Board of any changes in the occupancy of residences, including names and addresses.
4. Monitor conditions of LPCA property located in their area. Report conditions and recommendations regarding such properties to the Board.

SECTION 8: BOARD OF DIRECTORS

- A. The President shall be chair of the Board of Directors.
- B. The Board shall manage the affairs of LPCA pursuant to the powers set forth in **Chapter 64.38 RCW, unless otherwise specifically reserved for the Members herein. Added per RCWs.**
- C. The Board shall approve all expenditures.
- D. The Board shall meet regularly throughout the year via conference call or in person.
- E. The Board shall meet in special session when requested by the President.
- F. At all meetings a majority of the Board shall be deemed to be a quorum required for transaction of business.

In the event a vote by the Board is a tie, the President shall cast the deciding vote.

- G. As provided elsewhere in these Bylaws the Area Representatives, representing the designated Areas within LPCA, shall be LPCA's regularly constituted Nominating Committee.
- H. By a majority vote by the Board, the Board may enact new rules to related to the use and maintenance of LPCA common properties and may exercise powers deemed in good faith to be necessary for the governance and operation LPCA.

Prior to the vote by the Board, at least 30 days but no more than 60 days the proposed new rule is published in the LPCA Newsletter to invite Members' comments. **The Board may, but is not required to, modify the proposed rules based on such comments. Added per Attorney Recommendation.**

ARTICLE V: MEETINGS

SECTION 1: ANNUAL GENERAL MEETING

- A. There shall be a single Annual General Meeting of Members held at a time determined by the President and/or the Board in the first or second quarter of each calendar year.
- B. **The purpose of the Annual General Meeting shall:**
 - 1. **The Annual General Meeting of the association shall be held for the election of Directors;**
 - 2. **Approve the Budget for the following fiscal year.**
 - 3. **Vote to waive or authorize the cost of a Financial Audit per RCW 68.38.045 (3).**
 - 4. **Present goals, activities and/or accomplishments.**
 - 5. **Discuss any other matters related to LPCA, requested by a Member.**
 - 6. **The conduct of such business as may be properly brought before the Annual General Meeting.**

Added per the Attorney Recommendation for explanation see "Summary of Proposed Bylaws Changes" item A 2.

SECTION 2: SPECIAL MEETINGS

- A. **Special meetings of the Association may be called at any time for the purpose of considering matters, which by the terms specified in any documents or laws governing of the Association, that require the approval of all or some of the Members, or for any other reasonable purpose. Added per the Attorney Recommendation.**
- B. **Special meetings shall be held upon the request of one of the following:**
 - 1. **President and two members of the Board;**
 - 2. **Majority of the Board;**
 - 3. **At least 22 Members of LPCA present a signed petition (include printed names) to the President.**

SECTION 3: ANNUAL GENERAL MEETING and SPECIAL MEETING REQUIREMENTS **This section was added per Attorney Recommendation.**

A. Quorums:

A quorum is present throughout any Annual General Meeting or special meeting of the Association if the Members of Lots to which at least One Hundred (100) of the votes in the Association are allocated are present in person by ballot or mail in ballot at the beginning of the Meeting.

B. Order of Business.

1. The order of business at an Annual General Meeting of the Association shall be as follows:
 - a. proof of Notice of the Meeting;
 - b. determination of the presence of a quorum;
 - c. approval of the Agenda for the Meeting;
 - d. approval of minutes of the previous Meeting of the Association;
 - e. appointment of inspectors of election if applicable;
 - f. election of Directors, if applicable;
 - g. reports of the Board of Directors, Officers and committees;
 - h. unfinished business, if any; and
 - i. new business, if any.

Added per Attorney Recommendation

2. Only matters described in the notice of a special meeting may be considered at such a meeting, and the order of business at a special meeting shall generally conform to the order specified in the notice of such meeting.
3. New business at an Annual General Meeting should include a discussion of whether to conduct an audit of the Association's financial statements, as described in Article II, Section 6 hereof.

C. Conduct of Meeting.

1. The President shall preside at meetings of the Association and the Secretary shall keep the minutes of meetings, for inclusion in the Association's permanent minute book.
2. Until changed by resolution of the Board of Directors, Roberts Rules of Order, latest edition, shall govern the conduct of all meetings of the Association when not in conflict with the laws and documents governing the Association or these Bylaws.

D. The Board may by resolution adopt additional procedures, not inconsistent herewith, to assist the Board in maintaining the integrity of the voting process at meetings of the Association.

SECTION 4: BOARD OF DIRECTORS MEETINGS This section added per RCWs.

- A. All meetings of the Board shall be open for observation by all Members.
- B. The Secretary shall keep minutes of all actions taken by the Board and shall make these minutes available to all Members.
- C. A closed executive session of the Board is permitted to be held in accordance with RCW 64.38.035 (4).

SECTION 5: NOTIFICATION and CANCELLATION OF MEETINGS

This section added per Attorney Recommendation.

A. Annual General Meetings and Special Meetings of the Membership:

1. Notice of any meeting of the Association (i.e. annual and special meetings) shall be either hand-delivered or sent prepaid by first class United States mail to the mailing address of each Lot or to any

other mailing address designated in a record by the Member, posted on the website and included in the newsletter.

2. With the advance written consent of any Member, or in the event that legislation otherwise permits, notice may also be provided electronically, to an e-mail or other electronic address specified by the Member for such purposes.
3. The notice of any meeting shall state the date, time and place of the meeting, and the items on the agenda to be voted on by the Members, including without limitation, if appropriate, a list of the candidates seeking to be elected as Directors of the Association, all information required to be delivered to Members in conjunction with the development of the Association's annual budget, the nature of any proposed amendment of documents governing the Association or Bylaws and any proposal to remove a Director.

The notice of any meeting shall include a ballot, if applicable, for those Members who choose to mail in the ballot instead of submitting the ballot at the meeting.

4. Whenever any notice to a Member is required to be given by the Association, a waiver thereof in a written statement signed by the Member, whether made before or given after the time stated therein, shall be equivalent to the giving of such notice.
5. Notice of any meeting of the Association shall be provided by the Secretary to all Members not less than fourteen (14) nor more than sixty (60) days in advance of the meeting. RCW 64.38.035 (2) See **“Summary of Proposed Budget Changes” item F.**
6. Notice of cancellation of a scheduled meeting shall be posted on the LPCA website and sent via email to Members.

B. Regular Meetings and Special Meetings of the Board of Directors:

1. The Board's regularly scheduled meeting shall be published in the newsletter and website,
2. Notice of regular or special meetings of the Board of Directors shall be given to each Director, by mail, receipted e-mail or digital equivalent, receipted telefacsimile or hand-delivery at least 72 hours prior to the time of the meeting, and shall state the date and place and hour of the Meeting.
3. Notice of regular meetings may also be given by providing each Board member with a written schedule of regular meetings adopted for the ensuing year at any time after the annual meeting and at least seven days prior to the next succeeding regular meeting.
4. Notice of a special meeting shall state the purpose[s] of the meeting.
5. Notice of a meeting of the Board of Directors may be waived and recorded in the minutes by a Director either before or after the Meeting.
6. Attendance by a Director at a meeting constitutes waiver of notice of that meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.
7. In a bona fide emergency, and if all of the Board members are present and so consent, no notice shall be required and matters relating to the subject of the emergency may be considered at the meeting.

8. Notice of cancellation of a scheduled meeting shall be posted on the LPCA website.

E. Action by Directors Without a Meeting.

In a *bona fide* emergency, or to accomplish purely ministerial objectives, or as may be otherwise permitted by law, any action required or permitted to be taken may be taken without a meeting if all of the members of the Board of Directors unanimously consent to such action and such consent is evidenced in writing either prior to or subsequent to the taking of such action and such written consent or consents shall be filed with the minutes of the proceedings of the Board of Director

ARTICLE VI: COMMITTEES

SECTION 1: COMMITTEES

A. Two types of Committees: **Added a description of the two types of Committees**

1. Standing Committees are permanent committees to perform various ongoing functions for LPCA.
2. Special Committees are created to fulfill a specific function and will cease to exist when they have completed their work.

B. The structure of Standing and Special Committees:

1. President appoints the members to the committees except committees that may be chosen by a vote of the LPCA Membership, provided all such Members have agreed to such appointment.
Moved: Current Bylaws - this statement was under the duties of the President Article IV Section 1.
2. The President may authorize with a vote by the Board, to create additional Standing and Special Committees. **Moved: Current Bylaws- this statement was under the duties of the President Article IV Section 1.**
3. Shall consist of at least three (3) members, one of whom elected from the committee, shall be the Chair.
4. Funded by LPCA annual assessments and special assessments upon approval of the Board.
5. **Report findings and recommendations to the President and Board. Moved: Current Bylaws - this statement was under the duties of the President Article IV Section 1.**

SECTION 2: STANDING COMMITTEES:

A. Waterway Committee Duties:

1. Shall develop and recommend applicable use of the Lot C waterway, boat ramp, parking on Lots A, B and C, Lagoon Lake and report findings and recommendations to the President and Board.
2. Review Lot C waterway, develop proposals and changes necessary for improved function and maintenance.
3. Implement waterway action approved by the Board, with a majority of votes.

4. Oversee the Spill Response Team and maintain the equipment.
 5. Communicate and cooperate with the Division 2-3-4 Architectural Committee on matters of mutual interests including dredging, jetty and protection of the Divisions 2-3-4 private canal easements.
- B. Environment and Public Improvement Committee Duties:
1. Investigate environmental and public improvements affecting LPCA common properties.
 2. Suggest alterations, changes or improvements for LPCA common properties.
 3. Investigate and report to the Board and to Island County on regulatory signs governing the use of motor vehicles.

ARTICLE VII SOCIAL EVENTS and CHARITABLE ACTIVITIES

SECTION 1: STRUCTURE OF SOCIAL EVENTS AND CHARITABLE ACTIVITIES

- A. Funding for LPCA sponsored social and charitable activities shall be by voluntary contributions, admission fees and/or proceeds from fund raising activities.
- B. Funds shall be accounted for by LPCA and shall not be co-mingled with other funds.
- C. The President and Board shall adhere to policy in managing the funds, events and activities.
- D. LPCA community wide social events are open to all Members, their families and guests as well as renters living in Lagoon Point.

ARTICLE VIII: PARLIAMENTARY AUTHORITY

The rules contained in the current edition of Robert's Rules of Order Newly Revised, shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Association may adopt.

ARTICLE IX: BYLAWS REVISIONS and AMENDMENTS

SECTION 1: BYLAWS

A Bylaws revision or amendment shall be approved by a 2/3 majority of vote provided at least 133 votes are cast. In the event less than 133 votes are cast, the Bylaws revision or amendment will be deemed to have failed. Voting for Bylaws revisions or amendments shall be in accordance with the voting requirements of these Bylaws.

- A. Revisions or amendments to these Bylaws may be proposed by one of the following:
 1. The Board;
 2. A petition to the Board including signatures and printed names by at least twenty-five Members in good standing.

- B. Proposed revisions or amendments to these Bylaws shall be approved by the Board prior to being presented to Membership for a vote in accordance with the voting requirements specified in these Bylaws.
- C. At least fourteen (14) but no more than sixty (60) days before providing Members with a proposed Bylaws revision or amendment ballot the Board shall distribute a draft of the proposed revision or amendment for comment from the Membership by posting on the LPCA website, or email, or mail.
- D. The following shall be included in each notice relating to an amendment or revision of these Bylaws:
 - 1. Bylaw amendments - include in the notice the full text of the proposed amendment and reason for the amendment.
 - 2. **Bylaw revisions – include in the notice a summary of proposed changes, identify where Members can find the revised Bylaws full text. (for example: email, website). Added this statement for economic reasons. Mailing the Proposed Bylaws to all Members would be very expensive.**

--End of Bylaws--

These bylaws apply to all properties in the following plats:

Plat	Auditor's Ref	Date Filed
Lagoon Point	# 78936 Plats V4, p 45-50	10 July 1950
Lagoon Point View Tracts (Also replat of Block 10 of Plat of Lagoon Point Addition)	# 87580 Plats V4, p 72	7 Oct 1952
Lagoon Point No. 2 (Replat of portions of Block 13 and 14 of Plat of Lagoon Point)	# 226208 Plats V11, p 11-12	19 Nov 1969
Lagoon Point No. 3 (Replat of portions of Blocks 11 and 13 of Plat of Lagoon Point)	# 234604 Plats Vol 11, P 32-33	21 Sept 1970
Lagoon Point No. 4 (Replat of portions Blocks 11 and 13 of Plat of Lagoon Point)	# 286184 Plats Vol 12, p 23-24	14 July 1975

These Bylaws of Lagoon Point Community Association, Inc, were duly amended by the membership of the Association on the **TBD**, day of **TBD**, 2018.

Attested to:

Duane Rawson, President, LPCA

Paula Ratcliff, Vice President, LPCA

Note: The amendments approved November 28, 2006, changed the name of the organization from Lagoon Point Improvement Club (LPIC) to Lagoon Point Community Association (LPCA), and deleted the LPIC Constitution as now redundant.