

Four Lakes Landowners Association
Board of Trustees Special Meeting
August 25, 2016
Deschenes' Home

Attending Board Members:

Marty Johnson
Sharon Ayers
Brendan Pecht
Dave Prochazka
Diondra Miles
Terry Deschenes

Guest:

Kevin Bray

Terry explained, to no one's surprise, that this special meeting had been called to discuss the Board's response to the petition that was presented to Terry following the membership meeting last Thursday.

There was some discussion about the condition of the Morris property, but all agreed that regardless of our personal opinions, we needed to establish how the Board was going to respond to the implied threat in the Bundy's petition for legal action against the Board.

The legal opinion we obtained from our attorney has suggested we take the issue to the membership and allow them to decide.

Heather Morris has responded that she will contact the Bundys upon their return from vacation this Sunday. Terry asked, and she agreed, to keep him informed on progress.

Everyone at the meeting supported these efforts to have the problem resolved between the Morris and Bundys, by the Morris and Bundys.

We agreed no action by the Board as long as the parties are talking. Should the talks stall, both parties would be shown a copy of the attached letter, allowing them to go back to their discussions or have us move forward with a membership meeting and vote.

The vote was unanimous to proceed as outlined above.

That should resolve this particular situation.

We turned our attention to how to handle similar situations in the future. We agreed we needed to adopt and publish rules, similar to what we have done with our collections, on how to proceed.

The consensus was when the issue with the Bundys and Morris was resolved, we needed to establish and publish rules for how CCR violations were to be handled in the future. Terry suggested that we consider a rule that for the Board to pursue issues involving enforcement of the CCRs can only be undertaken with approval of a majority of the entire membership. This would be accomplished by calling a Special Membership Meeting. (see Section 2 below)

It was agreed we would pursue this at a meeting in the near future.

**BY-LAWS
OF
FOUR LAKES LAND OWNERS' ASSOCIATION, INC. ARTICLE XII
MEETINGS OF MEMBERS**

Section 1. Annual Meeting. The first annual meeting of the Members shall be held within six months of the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held within the first six months of the calendar year. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Trustees, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting, to each Member at the physical address, e-mail address, or fax number supplied by such Member to the Association. Such notice shall specify the place, day and hour of the meeting, and, in case of a special meeting, the purpose of the meeting.

Section 4. Waiver of Notice. Whenever any notice is required to be given by a Member under the provisions of these Bylaws, the Articles of Incorporation or the Washington law, a waiver of notice in writing, signed by the person or persons entitled to such notice and delivered to the Board, whether before or after the date and time of the meeting or before or after the action to be taken by consent is effective, shall be deemed equivalent to the giving of such notice. Further, notice of the time, place and purpose of any meeting will be deemed to be waived by any Member by attendance in person or by proxy, unless such Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

Section 5. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10th) of the votes of the entire membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 7. Action By Members Without Meeting. Any action that may or must be taken at a meeting of the Members may be taken without a meeting if one or more written consents describing the proposed action shall be signed by Members entitled to vote equal to not less than the minimum number of votes necessary to take such action were it taken at a meeting at which all Members entitled to vote on the action were present and voted. Every written consent shall bear the date of signature of each Member who signs the consent. A written consent is not effective to take the action referred to in the consent unless, within 60 days of the earliest dated consent delivered to the Association, written consents signed by a sufficient number of Members to take action are delivered to the Association. Unless the consent specifies a later effective date, actions taken by written consent of the Members are effective when (a) consents sufficient to authorize taking the action are in possession of the Association and (b) the period of advance notice required by these Bylaws to be given to any nonconsenting Members has been satisfied. Any such consent shall be inserted in the minute book as if it were the minutes of a meeting of the Members.



August 25, 2016

NOTICE OF SPECIAL MEMBERSHIP MEETING

Dear Four Lakes Landowners Association Member.

I am writing special meeting of the membership. This meeting is to determine how the Board should proceed on the attached petition presented by Lindsey Bundy. The petition has cosigners as you can see. The petition asks that the Board cite Brad and Heather Morris for their property being a 'nuisance' and that the board take steps to remedy this.

The petition goes on to say that failure by the Board to act on their petition will result in a decrease in their property values by a failure of the Board to act. We read this as implying they may choose to sue the Board.

The petition is not a legal document, nor does it appear to have been drafted by an attorney. None the less, this is America, and you can sue anybody for anything.

We referred this matter to the association's attorney, David Tall², for a legal opinion. He has suggested that this be set before the membership to vote to proceed or not. But that the membership should be aware that issues such as this can result in significant legal expenses.

The Board's reading of the CCRs (Covenants, Conditions and Restrictions) and By-Laws is, acting on behalf of the Association, the Board has the choice **to enforce or not to enforce** the CCRs¹. It should also be noted that individual owners have exactly the same options.

The Board's position is that it should not be responsible for enforcing the CCRs for the community, unless there is a majority supporting such action. We are also persuaded that in this case, there are far more reasonable approaches that have yet to be exhausted before we give it to the legal system to solve for us.

This is a notice of special membership meeting being called for xx/xx/xx to discuss this issue and vote. As with all membership meetings, you have the right to give your proxy, either to allow the person you name exercise their judgment, or to have them vote as you direct.

For the Board,

Terry Deschenes
President
Four Lakes Landowners Association

¹ **AMENDED AND RESTATED, DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF FOUR LAKES LAND OWNERS ASSOCIATION, INC., A WASHINGTON CORPORATION ARTICLE XI GENERAL PROVISIONS**

Section 1. Enforcement. The Association and each Owner of a Lot or Lots subject to this Declaration, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure of the Association or any such Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

² I would suggest that the Assn consider setting a special meeting to consider legal action to enforce the declaration and specifically filing a nuisance action if the property owner does not take remedial action. Since such a nuisance action may cost thousands of dollars and would affect the general budget leading to a potential increase in the dues each owner would have to pay, put the issue to a vote of the membership. If the action is rejected then the board has done its duty and will be guided by the decision of the community. If the action is approved, any adverse decision or cost of litigation is one the Assn collectively accepted. DMT

CUT or TEAR HERE

PROXY

Four Lakes Landowners Association
Special Meeting
September xx/xx/xx

Question:

Should the Four Lakes Landowners Association direct its Board of Trustees to file a nuisance action against Brad and Heather Morris for their property being in violation of Article XI, General Provisions, Section 7 of the AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS and RESTRICTIONS OF FOUR LAKES LANDOWNERS ASSOCIATION, INC., A WASHINGTON CORPORATION as amended September 1, 2006? A vote to proceed may cost thousands of dollars and would affect the general budget leading to a potential increase in the dues each member would have to pay.

I appoint _____ to cast my ballot as they may see fit.

I appoint _____ to cast my ballot against the question (do not file a nuisance action)

I appoint _____ to cast my ballot for the question (proceed to file a nuisance action)

Signed _____ Date

Print Name _____