Rules for Dispute Resolution Between Neighbors Specifically, CC&R Article XI, Section 6 Four Lakes Board of Trustees September 18, 2016

Preamble

The following preamble for this rule is to provide context and an understanding of the reasoning of the Board in passing it. It is made a part of this rule.

- The Covenants, Conditions and Restrictions (CC&Rs) give both the Association or each owner the right to enforce the CC&Rs, by any proceeding at law or equity. There is no requirement, in either the By Laws or the CC&Rs, for the Association (or its Board) to enforce Article XI, Section 6¹, of the CC&Rs.
- There are good reasons for these documents to be written making this a choice rather than a mandate. Any requirement to enforce would require the Association to initiate a legal action with no control over what the cost would be. Because the costs of legal action are likely to go beyond the funds available to the Association, a decision to move forward should be handled with the same procedures as an increase in dues.
- How do you define a nuisance? The Board considered defining what a nuisance was, but quickly realized it was an impossible, unending project. Any attempt would need such a comprehensive set of rules, as to make it too restrictive or fail to cover something obvious. Most importantly, everyone becomes focused on the rules, rather than using common sense and conversation to find a solution.
- The Board is committed to fostering a sense of community. The Board members believe it makes Four Lakes a place where people share an identity rather than just a common location on a map. Placing the Board, in essence the community, in an adversarial position with any owner, is destructive to this spirit.
- It is silly to think that neighbors can always live in complete harmony. There will be differences in opinions. We hope to provide a map for how to go about resolving problems with a minimum of hassle for all parties.

• This is a rule made by the Board. The By Laws and CC&Rs take precedent over this rule. This rule will remain in effect until modified or voided by Board action.

Procedures for the Association to Enforce Covenants, Conditions and Restrictions

There are three basic steps the Board recommends for settling disputes.

1. Communicate your concern to your neighbor. Write them, call them or go visit. This approach is simple, direct and often amazingly effective if you can keep the conversation factual and non-emotional. Hopefully the person being approached will stay factual and will listen. The ideal result is that you both work together to resolve the issue.

This is probably the most important step in resolving issues as it sets the tone for everything else that follows. Consider it a crossroads where you and your neighbor decide whether you will work on the issue as adversaries or as neighbors.

2. Ask the Board for assistance. To be clear; the Board has no mandate to resolve disputes. We do however have a deep concern about problems that impact the community and are eager to help. First, you have nine minds that can look for solutions you may not have considered. You have people who can act as intermediaries. They may know the neighbor and can offer another channel for discussion.

You might consider getting your neighbor and yourself to agree to have the Board, a Board members, or just another neighbor arbitrate the dispute for you.

- 3. Should the preceding two steps prove ineffective, the final step would be to take your case to court. There are two routes to accomplish this:
 - This can be pursued by you, as an individual, hiring an attorney to represent you. You have the authority to do this under the By Laws and CC&Rs.
 - Start the process for the Association to pursue the matter. This begins with getting a Special Meeting of the members. See the by Laws Section XII below². The Board of Trustees will take no action to enforce Article XI, Section 6¹, of the Covenants, Conditions and

Restrictions (CC&Rs) without the Association having voted affirmatively to do so AND for the Association to have agreed to an assessment to all members for the associated legal costs. Such meetings and votes shall comply with the requirements defined in the By Laws for a special assessment. Should the vote be affirmative, the Board will employ an attorney, on behalf of the Association to pursue the matter.

Passed by the Board of Trustees, September 18, 2016

Terry E. Deschenes President March Sander Secretary

1

(from Four Lakes CC&Rs) 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.

Section 2. <u>Attorneys' Fees</u>. In the event that it is necessary to seek the services of an attorney in order to enforce any (1) provision of this Declaration of (2) lien created pursuant to the authority of this Declaration, the prevailing party shall be entitled to recover all costs of enforcement, costs of legal action, any attorneys, fees and expert witness fees incurred in order to enforce the provisions of this Declaration.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise effect any other provisions, which shall remain in full force and effect.

Section 4. <u>Amendment.</u> The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association and the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for successive periods of ten (10) years, unless an instrument terminating these covenants is signed by not less than the owners or contract purchasers then owning seventy-five percent (75%) of the property subject to this Declaration or any supplemental declaration shall have been filed with the King County Auditor. The covenants and restrictions of this Declaration may be amended by an instrument signed by not less than the Owners then owning seventy-five percent (75%) of the property subject to this Declaration or any supplemental declaration shall have been filed with the King County Auditor. The covenants and restrictions of this Declaration may be amended by an instrument signed by not less than the Owners then owning seventy-five percent (75%) of the property subject to this Declaration or any supplemental declaration. Amendments shall take effect when they have been recorded with the Auditor of King County.

Section 5. Restrictions. No structure of a temporary character, basement, tent, shack, garage, trailer, barn or other outbuilding, shall be used on any Lot, at any time, as a residence.

No Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. Any waste shall be kept only in sanitary containers. All incinerators or other equipment for storage or disposal of such material shall be kept in a clean and sanitary condition.

There shall be no commercial raising of hogs, poultry or fur-bearing animals nor shall there be any kennels operated on a commercial basis, or any other type of commercial operation.

No residence may be erected on any of the tracts which contains a living area of less than 1,000 square feet, and residence or outbuildings must be completed on the exterior within 6 months after the start of construction.

Section 6. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

2

(from Four Lakes By Laws) ARTICLE XII MEETINGS OF MEMBERS

Section 1. Annual Meeting. The first annual meeting of the Members shall be held within six months of the data 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 an 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.