

Palmer Lake Beach Club By-Laws And Covenants

The following shall be the By-Laws of Palmer Lake Beach Club, a Washington Non-Profit Corporation, applicable to the following described real property:

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Article I Membership

SECTION 1 There shall be one membership in this corporation for each lot in the several subdivisions of Palmer Lake and any other property, which may be conveyed to this corporation. Each membership shall be Appurtenant to and not severable from the title to one such lot. No such membership may be assigned or transferred voluntary or by operation of law except in conjunction with the transfer of title to a lot appearing of Record in Pierce County, Washington, except in the case of sale of a lot by contract. A recorded contract Vendee deed shall be entitled to membership until the vendor's notice to the corporation of the contract or the forfeiture thereof shall be due notice of the corporation of the party entitled to such membership.

SECTION 2 Each membership shall entitle the person owning or residing on the lot to which the membership is appurtenant and their families to all the privileges and rights of membership unless suspended as hereafter provided. In the event that a corporation or partnership shall be the owner of the lot or lots, then it shall have the rights to name the person, not in excess of three (3) for each lot it owns, who shall be entitled to the rights and privileges of membership.

SECTION 3 The rights and privileges of membership may be suspended by action of the Board of Directors for (a) nonpayment of any dues or charges; or (b) failure or refusal to comply with the provisions of these bylaws, the Declaration of Restrictions, Covenants and Conditions on file with County Auditor, or any published or posted rules and regulations of the Club. Suspension for nonpayment of dues or charges shall be automatic and without prior hearing where delinquent for thirty (30) days or more, and shall be effective until such dues or charges are paid. Such suspension shall not relieve or discharge the obligation to pay such dues or charges.

SECTION 4 Each membership shall have one vote on all matters before the meeting of the membership. Such vote shall be exercised by the owners or a person designated at the commencement of the meeting by the owners in writing. Corporate owners shall exercise their votes by their officers present or persons designated by the corporate president. If any persons or corporations shall be entitled to more than one membership because of ownership of more than one lot. They shall have one vote for each membership. Votes can be cast in person or by written proxy or absentee ballot, filed with the corporate secretary.

Article II Membership Meetings

SECTION 1 There shall be two (2) general membership meetings each year; March and October. Special meetings of the membership may be called at such times as may be necessary by (a) the Board President, (b) the majority of the Board of Directors, or (c) ten (10) percent of the membership.

SECTION 2 Written notice of each meeting of the membership 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 thirty (30) days but not more than forty five (45) days before such meeting to each member entitled to vote thereat, addressed to the members address last appearing on the books of the corporation, or supplied by the member to the corporation of the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in such case a special meeting, the purpose of the meeting. The Board of Directors shall mail meeting notices for meetings as authorized in Section 1, Article II within thirty (30) days after the receipt of written request.

SECTION 3 Those members in good standing, present at a general membership meeting shall constitute a quorum. However, should there be no members present other than the Board of Directors; The Board alone shall not constitute a quorum.

SECTION 4 At all meeting of members, each member may vote in person or by proxy or by absentee ballot. All proxies shall be in writing and filed with the corporate secretary, and member's wishes clearly stated regarding issues declared for said meeting.

SECTION 5 All meetings of the Palmer Lake Beach Club shall be conducted under Robert's Rules of Order.

Article III Dues and Charges

SECTION 1 By the Declaration each member is deemed to covenant and agree to pay the Corporation; (a) annual dues and charges, and (b) special assessments, together with such interest thereon and the costs of the collection thereof, as herein provided, shall be a charge on land and shall be a continuing lien upon the property against which each such assessment is made. Each assessment, together with such interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of such property at the time the assessment fell due, and shall pass to his or her successors in title.

SECTION 2 The dues leveled by the Corporation shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the members, in the properties and in particular for the Improvement and Maintenance of the Properties, services, and facilities devoted to the purpose and related to the use and enjoyment of the common area.

SECTION 3 The annual dues to be paid by the membership shall be one hundred (\$100.00) per lot, as of July 1st 2007, and one hundred twenty five dollars (125.00) as of July 1st 2009, and one hundred and fifty dollars (\$150.00) as of July 1st 2010. All dues shall be payable in advance, commencing on July 1st of each year.

SECTION 4 In addition to annual dues authorized above, the corporation may levy any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of construction, or reconstruction, unexpected repair or replacement of a described Improvement upon the common area, provided that any such assessment shall be the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy or absentee ballot at a meeting duly called for this purpose, written notice of which shall be sent to all members no less than thirty (30) days or more than forty-five (45) days in advance of the meeting, setting forth the purpose of the meeting. The presence at the meeting, of members or of proxies or absentee ballots entitled to cast twenty percent (20%) of all the votes on the members eligible to vote shall constitute a quorum.

SECTION 5 Any dues or assessments which are not paid within thirty (30) days of the due date shall be delinquent and shall bear interest from the due date of delinquency at a rate of ten (10%) per annum, and the Corporation may bring an action at law against the owner personally obligated to pay the same or foreclose a lien against the property, and the interest, cost and reasonable attorney's fee or any such action shall be added to the amount of such dues or assessment provided herein. Any dues or assessments not paid within thirty (30) days of the due date shall be assessed a one-time late charge equal to the yearly dues owed, in addition to interest which may be collected by the corporation in the same manner as delinquent dues, interest and cost. No owner may waive or otherwise escape liability for dues or assessments provided for herein by non-use of the common areas or abandonment of his/or her lot.

SECTION 6 The lien of the assessments provided herein shall be subordinate to the lien of any deeds of trust, real estate contract, and mortgages. Sale or transfer of any lot shall not affect the dues or

assessment liens. However, the sale or transfer of any lot which is subject to any mortgage, pursuant to a degree of foreclosure under such mortgage, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof, which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or the lien thereof. There shall be a service charge of one hundred dollars (\$100.00) paid for transfer of membership by the new owner.

Article IV Powers and Duties of the Board of Directors

SECTION 1 The board of directors shall have the powerto:

(A) Adopt and publish rules and regulations governing the use of the common area and facilities, and the personal conduct of the members and their guests thereon, and establish penalties for the infraction thereof. Adoption of rules and regulations and establishment and penalties are subject to modification or change by seventy-five percent (75%) vote of the membership present at an authorized membership meetings.

(B) Exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation and not reserved to the membership by other provisions of these Bylaws, the Article of Incorporation, or the Declarations.

(C) Declare the position of a member of the Board of Directors to be vacant in the event such member shall be absent without permission from three (3) consecutive regular meeting of the Board of Directors.

(D) Enter into contracts as approved by the membership.

(E) Expend up to Four Thousand Dollars (\$4,000) to provide emergency repairs without the general membership approval. Such expenditure shall be reported at the next General Membership meeting.

SECTION 2 It shall be the duty of the Board of Directors to:

(A) Cause to be kept a complete record of all its acts and corporate affairs and to present a written statement thereof to each member at each general membership meeting.

(B) Supervise all officers and contractors of this Corporation, and see that duties are properly performed.

(C) As more fully provided herein and in this Declaration. (1) Fix the amount of the annual dues against each lot at least sixty (60) days in advance of each annual dues period, as hereinafter

provided in Article III, and (2) Send written notice of dues to every owner subject thereto at least thirty (30) day in advance of each annual dues periods.

(D) Issue, or cause an appropriate office to issue, upon demand by any person, a certificate setting forth whether or not any assessment or dues has been paid. A reasonable charge may be made by the Board of issuance of the certificates. If a certificate states the dues and/or assessment have been paid, such certificate shall be conclusive evidence of such payment.

(E) Procure and maintain adequate liability and hazard insurance on the property owned by the Corporation.

(F) Cause all officers having fiscal responsibilities to be bonded.

(G) Cause all outside contractors/vendors to show bonding, certificate of insurance and financial responsibility. Any contractor acting in the name of Palmer Lake Beach Club shall have their bonding paid by the club.

(H) Cause the common area to be maintained.

(I) Set up surplus funds and reserve funds as they deem necessary to the end that the corporation shall be in a sound financial condition to meet its obligations and maintain its property.

Article V Directors

SECTION 1 The management of the property, interest, business and affairs of the Corporation shall be vested, except as reserved to the membership by other provisions of these bylaws, the Articles of Incorporation, or the Declaration, in the hands of a Board of Directors of no less than five (5) persons elected from persons entitled to the rights and privileges of membership.

SECTION 2 The term of office of each position on the board on directors shall be two (2) years. Commencing with the March 1980 elections for the Board of Directors, the vacant three (3) year term positions will be initially elected to a one (1) year term. Thereafter all vacant positions will be filled on a two (2) year basis with the exception of board appointed members as covered in Article V section 5.

SECTION 3 Any director elected or appointed may be removed from the Board of Directors by a two-thirds (2/3) majority vote of the members who are voting in person or by proxy or absentee ballot at a meeting duly called for this purpose, written notice of which shall be sent to all

members not less than thirty (30) days nor more than forty-five (45) days in advance of the meeting setting forth the purpose of the meeting. The presence at the meeting or of proxies or absentee ballots entitled to cast ten percent (10%) of all the votes of the members eligible to vote shall constitute a quorum. Directors may be removed whenever, in the judgment of the membership the best interests of the corporation will be served thereby. The removal of an officer or director shall be without prejudice to the contract rights, if any, of the officer or director so removed. Election or appointment of an officer or director or agent shall not itself create contract rights.

SECTION 4 No director shall receive compensation of any service he or she may render to the Corporation. However, any director may be reimbursed for actual expenses incurred in the performance of their duty.

SECTION 5 Three (3) alternates shall be elected by the membership for a term of one (1) year. Alternates shall fill vacancies for the remaining term of office of the director that is being replaced. In the event that there are no remaining alternates, the Board of Directors shall appoint a member to that vacancy until the end of the fiscal year, when the unexpired term, if any, will be filled by the election process.

SECTION 6 There shall be a meeting of the Board of Directors within two weeks after each general meeting of the Membership. Special meeting of the Board of Directors may be called by the president or any directors by giving oral or written notice to all directors. A minimum of three (3) directors shall constitute a quorum for transaction of business.

SECTION 7 The officers of this corporation shall be president, 1st vice president, 2nd vice president, secretary, and treasurer, who at all times shall be members of the Board of Directors.

SECTION 8 The Officers of the Corporation shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he/she shall sooner resign from the board, or be removed or otherwise become disqualified to serve.

SECTION 9 Election of the board of directors by the general membership shall take place annually prior to the start of the fiscal year.

SECTION 10 Any director may resign at any time by giving written notice to the board, the president or secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance shall not make it necessary to make it effective.

SECTION 11 No director shall simultaneously hold more than one office.

SECTION 12 The duties of the officers are as follows:

- (A)The president shall preside at all meetings of the board of directors: shall see that orders and resolutions of the board and membership are carried out: shall sign at leases, mortgages, deeds and other written instruments and may co-sign all checks and may sign promissory notes.
- (B)The 1st vice president shall act in the place instead of the president in the event his/her absence, inability or refusal to act, may co-sign all checks and promissory notes, and shall discharge such other duties as may be required by the board.
- (C)The 2nd vice president shall act in place instead of the 1st vice president and shall discharge such other duties as may be required by the board.
- (D)The secretary shall record the votes and keep the minutes of all membership meetings and proceedings of the board and the members: serve notice of the meetings of the board and of the members: keep appropriate membership rosters together with their addresses, and shall perform such other duties as required by the board. A recording secretary may be appointed by the board of directors to take minutes at the general membership meeting, special meetings, board of director meetings and committee meetings and to assist in any duties so required by the secretary. An appointment involving monetary gain must be approved by the general membership.
- (E)The treasurer shall oversee the bookkeeper to receive and deposit in appropriate bank account all monies of the corporation and shall disburse such fund as directed by resolution of the board of directors; shall co-sign, with either the president or the 1st vice president, all checks and promissory notes of the corporation; be responsible for proper books of account; cause an annual audit of the corporation books to be made by the audit committee a copy of the annual budget to be presented to each member present at the March general membership for adoption; and also prepare a written statement of income and expenditures to be presented to each member present at the

membership meetings. The fiscal duties of the treasurer may be contracted, with or without monetary gain, with the approval of the membership if the board treasurer is not qualified or unable to handle the corporation fiscal responsibilities. In the event the contracted treasurer resigns, is absent or unable to fulfill the duties, the board of directors, by majority vote, may contract a treasurer to fill the vacated position until the next general membership meeting. The existing contract terms will be followed in contracting a treasure to fill the vacated position.

SECTION 13 The directors may appoint such committees from the membership as they deem necessary for the management and direction of the corporation. No committee member may be dismissed without a majority vote of the board.

Article VI Standing Committees

SECTION 1 An audit committee shall supervise the annual audit of the corporation's books and annual statement of income and expenditures to be presented to the membership at its regular meetings, as provided in Article 5, Section 12(e). The audit committee shall consist of three (3) members to be appointed by the board of directors, and board treasurer, who will be an ex-officer member.

SECTION 2 A budget committee shall prepare the corporation's annual budget to be presented to the membership at its regular meeting as provided in article 5, Section12(e). The budget committee shall consist of three (3) members to be appointed by the board of directors and board treasurer, who will be an ex-official member.

SECTION 3 It shall be the duty of each committee to receive complaints from members on any matter involving corporation functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committees, directors, or officer of the corporation as is further concerned with the matter presented.

SECTION 4 Should the Board of Directors, in its discretion, from time to time, determine that the need has arisen for a determination of the applicability of provision of Article II of the "Restrictions and Covenants" of Palmer Lake Beach Club to a particular circumstance, the Board is hereby granted the authority to make a binding decision with respect to such circumstances.

Article VII Nominations and Elections

SECTION 1 Nominations shall be held at the March general membership meeting. Nominations will be received from the floor and also the nominating committee, if no one has been appointed by the board of directors at an earlier date.

SECTION 2 Nominees must be members in good standing.

SECTION 3 At the close of nominations the general membership will elect an election committee to: prepare, post, receive and count the ballots. No member of the election committee may be a nominee or a current member of the board of directors.

SECTION 4 The election committee shall consist of four (4) members. They shall carry out the balloting process as follows:

- (A)The committee shall cause a proper ballot to be printed.
- (B)The committee shall give all nominees an opportunity to submit a brief resume of qualification (200 words or less) which will be printed and enclosed with the ballot.
- (C)The committee shall rent or use a neutral post office box approved by a majority of committee members, for the purpose of receiving election ballots.
- (D)The board secretary will be required to submit a list of eligible members to the election committee.
- (E)In order to be eligible to receive a ballot, all membership dues and assessments must be current and paid no later than the March membership meeting. Only owners on record on the above date will be eligible to vote. Ballots may not be transferred or assigned to a third party. Payment of dues or assessments after the above date, either to the treasurer or to the election committee, will not constitute reinstatement of eligibility for election purposes.
- (F)The committee will post to each eligible member, at address on record with the club, a ballot for each lot owned, a resume of the candidates, a blank envelope to assure secrecy of the ballot, and a second ballot envelope addressed to the election committee's post office box. Voting members will be required and instructed to sign the back of the outside envelope to assure validity of the ballot.
- (G) Forty-five (45) days after posting the ballots, the election committee will collect the ballots and check the signatures to insure validity of all ballots cast.
- (H) After all ballot envelopes have been checked and recorded, all ballot envelopes will be opened and separated from the outside envelope. The ballots will then be removed from the unmarked envelopes and assembled in a manner that will facilitate easy tabulation. Ballots will then be tallied.

- (I) Any nominee may have an observer present to witness the counting process.
- (J) When all ballots have been counted, the election results shall be presented the board of directors, who will then notify all candidates of the results as soon as possible, but no later than fifteen (15) days after receiving the results from the election committee.
- (K) In the event of a tie for any position, the names of the candidates trying for the position will be placed in a box and one name will be drawn for the position specified, under observation of the election committee members and observer's present. The remaining name will receive the next available position which would be awarded according to the number of votes cast.
- (L) All ballots shall be retained by the election committee for thirty (30) days after counting. Candidates shall have fifteen (15) days after the notification of results to question or protest the election. Protests must be directed in writing to the election committee.
- (M) The ballots will then be turned over to the secretary pursuant to the bylaws of the Palmer Lake Beach Club.
- (N) In the event of exact number of nominees for the position on the ballot, automatic acceptance will be just cause for the waiver of this section.
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Article VIII Property Rights / Rights of Enjoyment

Each member shall be entitled to use and have enjoyment of the common areas and facilities as provided in the declaration. Any member may delegate his rights of enjoyment of the common area and facilities to the members of his/her family, friends, his tenants or contract purchasers on the property. The rights and privileges of such delegate are subject to suspension to the same extent as those of the member.

Article IX Books and Records

The books, records and paper of the corporation shall at all times, during reasonable business hours, be subject to inspection by any member. The declaration, the articles of incorporation and the bylaws of the corporation shall be available for inspection by the member of the principle office of the corporation, where copies may be purchased at a reasonable cost.

Article X Amendments

SECTION 1 These bylaws may be amended by the affirmative vote of not less than seventy-five percent (75%) of the membership in attendance at any general membership meeting or special meeting of the membership; provided, however, notice of such proposed amendment and nature thereof must be given in writing to all members at least fifteen (15) days prior to any general membership or special meeting at which such proposed amendments are to be considered. Further amendment or modification of proposed amendments can be considered at any meeting for which proper written notice has been given, but no further or different amendments, on other subjects, can be adopted without separate notice thereof.

SECTION 2 In case of any conflict between the articles of incorporation and these bylaws, the articles shall control and in the case of any conflict between the declaration and these bylaws, the declaration shall control.

Article XI Dissolution

The Palmer Lake Beach Club may be dissolved with assent given in writing and signed by not less than two-thirds (2/3) of the entire membership; and in accordance with Title 24 of RCW. Upon dissolution of the Palmer Lake Beach Club, the assets, both real and personal property of the Palmer Lake Beach Club, shall be dedicated to an appropriate public agency to be devoted to purposes as nearly practicable the same as those to which they were required to be devoted by the club. In the event such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation association, trust or other organization to be devoted to purposes and uses that would be most nearly reflect the purposes and uses to which they were required to be devoted by Palmer Lake Beach Club.

Article XII Miscellaneous

The fiscal year of the corporation shall begin on the first (1st) day of July and end on the thirtieth (30) day of June of every year. The terms of the Board of Directors shall run for the same period.

Article XIII Mobile Homes

- SECTION 1. The existing mobile and manufactured homes on Palmer Lake Beach Club lots as of March 11, 2000 will be grandfathered. The replacement of existing manufactured/mobile homes on Palmer Lake Beach Club lots will comply with the following bylaw.

The placement of all future manufactured, mobile or prefab homes on Palmer Lake Beach Club lots will be of new construction. They shall be doublewide units, a minimum of twenty-four (24) feet wide, variable length. Outside construction shall be of wood or wood composite or vinyl lap siding. Roof construction shall be of composition shingle or an acceptable alternate.

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- SECTION 2. The units shall be placed on a full masonry foundation. The units shall be in compliance with all Washington State and Pierce County building codes. A Palmer Lake Beach Club site plan shall be applied for and approved in accordance with existing Covenants and Bylaws.
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- SECTION 3. The units must be approved and inspected by not less than three (3) Palmer Lake Beach Club Board Members or their designated Representatives. Palmer Lake Beach Club will not approve any single wide mobile or manufactured homes for placement on lots at the Palmer Lake Beach Club. There will be no used or pre-owned structures approved for placement on Palmer Lake Beach Club lots.

Article XIV Tree Cutting

There shall be no cutting of any tree over six (6) inches in diameter, on any land located within Palmer Lake Beach Club, unless the trees are cut pursuant to one of the following reasons:

SECTION 1 For safety reasons, when a tree(s) directly threatens a building, structure, or public utility, due to disease, death, or danger of collapse, immediate removal of the tree(s) is permitted for safety purpose. However, proof of necessity to cut such tree(s) shall be shown to the Board of Directors upon request of the Board.

SECTION 2 Pursuant to Pierce County approved development, such as installation of a building or septic field, and only when such development is supported by a current, valid building or septic permit, issued by Pierce County . Such permit, or photocopy thereof, must be on site before any tree is cut pursuant to this subsection, and only those trees absolutely necessary for such purposes shall be cut.

SECTION3 When the Board of Directors has been shown a necessity to cut a tree(s). by a written application of the land owner, and the Board has granted permission to cut a given tree(s) such written permission by the Board must be on site before any tree(s) is cut pursuant to this subsection, and only those tree(s) so approved may be cut.

SECTION 4 The penalty for violation of this section is twice the fair market value of such tree(s), to be paid into the Palmer Lake Beach Club account, and used for Club purposes. Should the Board assess such a penalty, and it remains unpaid for more than thirty (30) days past the date of mailing such notice of penalty, by the first class and certified mail, to voluntary lien against such property, which may be placed by the Palmer Lake Beach Club, and if unpaid thirty (30) days from the date of recording, such lien may foreclose against such property in the manner of mortgages in the State of Washington.

At the membership meeting on October 21, 2006 the membership passed these bylaws. They were voted on by 75% or more of the membership present at the meeting or by proxy. These bylaws are an instrument of the Corporate Record of PLBC and confirmed by the following corporate officer.

ThomasF Mose

President, PalmerLakeBeachClub

POBOX291

Lakebay, WA. 98349

Conditions and Easements for the Plat of PALMER LAKE ,

**Declaration of
Restrictions, Covenants, Conditions, and Easements for the Plat of
Palmer Lake**

Article I Definitions

Article II Building Restrictions

Article III Land Use Restrictions

Article IV Architectural Control Committee

Article V Common Facilities

Article VI Easements And Reservations

Article VII Miscellaneous Condictions

Article VIII Amendments

By instrument dated July 9, 1971 and recorded August 9, 1971

Under Auditor's 2404596, as follows:

WHEREAS, ROLAND & ROLAND, INC., a Washington corporation, has acquired certain real property in Pierce County, Washington, and is the owner of the property platted as Palmer Lake, according to the plat thereof recorded in Pierce County, Washington, and desires to establish a plan of private subdivision of all such properties accordingly, in order to provide for land use and maintenance of roads, water system, other utilities and recreational facilities for such properties as a part of such plan, ROLAND & ROLAND, INC. does hereby declare and establish the following restrictions, covenants and conditions appurtenant:

Article I Definitions

As used herein:

1. The word "Plat" shall refer to the plat of Palmer Lake and any other plat of real property which may hereafter be made subject to the provisions hereof by written instrument signed by ROLAND & ROLAND, INC. as elsewhere provided herein.
2. The word " Lot " or "Lots" shall refer to lots as shown on any plat as defined herby.

3. The words “Real Property” shall refer to the real property included within any plat as defined hereby.

4. The word “Committee” shall refer to the Architectural Control Committee as created hereby.

5. The word “Club” shall refer to the Palmer Lake Beach Club, a nonprofit corporation formed for the purpose of providing services and recreational facilities to its members, including owners and residents of lots, as herein defined.

6. The word “Lake” shall refer to Palmer Lake or any other lake wholly or partially within or bounded by a plat as described herein.

Article II Building Restrictions

1. Except portions of the real property used for recreational purposes or common service facilities by Palmer Lake Beach Club, no lot shall be used for any purpose other than single family residential purposes. No dwelling residence, out building, fence, wall, building, pool or other structure shall be erected, altered, placed or maintained on any lot unless it shall comply with these restrictions and the following:

a. Each dwelling shall be of permanent construction and have no less than 320 square feet of enclosed area devoted to living purposes.

b. The exteriors, including roof and walls, of all structures on a lot shall be constructed of shakes or shingle materials, except flat roofs.

c. The foundation for each dwelling shall be constructed of concrete, cement brick or post and block or other similar material approved in writing by the Committee.

d. Any structure equipped with sanitary plumbing facilities within such structure shall be fully connected to a septic tank system of sewage disposal, designed, located and constructed in accordance with the rules and regulations and its installation approved by the Pierce County Health Department and any other governmental agency having jurisdiction, or to a public sewer system. No drain field may be located closer than 100 feet to the lake without the prior written approval of the Committee.

e. All structures shall conform to the setback requirements established by the resolutions, ordinances and regulations of the governmental authority having jurisdiction at the time of commencement of construction, but in no event may be constructed within twenty-five feet of the normal water edge of the lake without prior written approval of the Committee.

f. Prior to erection or placing of any structure upon a lot the plans and specifications therefore shall be submitted to and approved by the Committee, and the structure shall conform to such approved plans and specifications. In addition, all necessary permits shall be obtained from the county and other governmental agencies having jurisdiction.

2. Temporary structures such as trailers, garages or other out buildings may be maintained upon a lot only during the period of construction of a permanent dwelling thereon and in any event no longer the nine months. Any structures or quarters, not permanent in nature, must be removed upon demand of the Committee.

3. The work of construction, altering or repairing any structure on a lot shall be diligently prosecuted from its commencement until its completion, but in any event the exterior shall be completed within nine months of commencement.

4. No wharf, dock, float, moorage, land file, retaining wall, bulkhead or other artificial structure shall be constructed or maintained closer than twenty-five feet of the normal water edge of the lake, provided, however, that a wharf or dock not extending beyond twenty-five feet into the lake, and a suitable float for swimming or boating, may be maintained upon any lot, provided the same is approved in writing by the Committee prior to construction, and provided the same shall be subject to removal at any time for purposes of installation of utility services constructed or to be constructed in front of or upon any lot.

5. No house trailer or mobile home shall be permitted within the plat except in such areas as may be authorized and designated therefore by the Committee; provided however, temporary house trailers or mobile homes shall be permitted during construction as set forth in Section 2 above.

6. No fences over four (4) feet in height permitted without prior approval of the Committee.

Article III Land Use Restrictions

1. No firearms for purpose of hunting or target practice shall be permitted on the real property.

2. No animals shall be kept or permitted on the real property except for household pets which shall not unreasonably interfere with the use and enjoyment of any lot. No raising, breeding, training or dealing in animals shall be conducted on or from any lot.

3. No sign, billboard or advertising structures shall be located, placed or maintained on the real property. However, with the prior written consent of the Committee one sign of approved

style, not exceeding four square feet, may be placed on a lot improved with a residence to offer such property for sale. ROLAND & ROLAND, INC. reserves the right, for itself, its agents, successors and assigns to place signs on the real property. Any sign on the real property in violation hereof may be removed from the real property by the Committee.

4. Each lot shall be maintained in a clean, slightly condition at all times and be kept free of litter, junk, containers, equipment and building materials. However, the reasonable keeping of equipment and materials on a lot during construction of such lot shall be permitted. All refuse shall be kept in sanitary containers concealed from view, which containers shall be regularly emptied. No refuse or other waste materials of any kind may be thrown or deposited in the lake at any time.

5. All clotheslines, wood piles and storage facilities on a lot shall be screen from view of the roads and adjacent lots. No lot shall be used in whole or in part for storage of anything which will cause such lot to appear in an unclean, disorderly or untidy condition. No noxious or offensive activity shall be permitted on any lot nor shall anything be permitted on any lot that may be or may become a nuisance or unreasonably interfere with the use and enjoyment of any part of the real property.

6. No tree with a trunk in excess of six inches in diameter shall be removed or destroyed without the prior written consent of the Committee.

Article IV Architectural Control Committee

1. There shall be an Architectural Control Committee consisting of three members. The first members of such Committee shall be HOWARD ROLAND, ROBERT ROLAND and ROBERT RAMSEY. The address of the Committee shall be PO BOX 253 , Gig Harbor , Washington , until written notice of change of address is filed of record with the auditor of Pierce County. In the event of any vacancy on the Committee, the remaining members may designate a new member to fill such vacancy. At ant time the members of the Committee may transfer and assign the functions of the Committee to the directors or the Club. Such designation or transfer may be made by filling a written notice thereof with the Auditor of Pierce County , Washington.

2. All plans and specifications required to be submitted to the Committee shall be submitted by mail to the address of the Committee in duplicate, shall be in writing, shall contain the name and address of the person submitting the same and the lot involved, and shall set forth the following with respect to the proposed structure: the location of the structure upon the lot, the general design, the interior layout, the exterior finish, materials and color, including roof

materials and such other information as may be required to determine whether such structure conforms with these restrictions.

3. The Committee shall have the authority to determine and establish standards involving aesthetic considerations of harmony of construction and color which it determines to be in the best interest of providing for attractive development of the real property, which authority shall include, but not limited to, to the height, configuration, design and appearance of fences, walls, outbuildings, wharfs, pools, floats and other structures appurtenant to the use of a dwelling. Such determinations shall be binding on all persons.

4. Within thirty days after the receipt of plans and specifications, the committee shall approve or disapprove such plans and specifications and may disapprove such plans and specifications which in its opinion does not conform to these restrictions or its aesthetic standards. Approval or disapproval shall be made upon one of the copies thereof and returned to the address shown in the plans and specifications. In the event that no disapproval of such plans and specifications is given within thirty days of submission in compliance herewith, such plans shall be deemed approved.

5. The Committee may appoint advisory committees from time to time to advise on matters pertaining to the real property. No person on the Committee or acting for it shall be responsible for any defects in the plan or specification submitted or approved nor for any defect in any work done according to such plans and specifications.

6. The Committee shall have the authority to approve plans and specifications which do not conform to these restrictions in order to overcome practical difficulties or prevent hardships in the application of these restrictions; provided, that such variations so approved shall not be materially injurious to the improvements of other lots and shall not constitute a waiver of the restrictions herein contained but shall be in furtherance of the purposes and intent of these restrictions.

Article V Common Facilities

1. Roland & Roland, Inc. shall, from time to time, convey to Palmer Lake Beach Club, a nonprofit corporation, certain properties and rights to be used and enjoyed as common facilities for the benefit of the members of the Club. There shall be one membership in the Club for each lot of each plat. Each membership for a lot shall be appurtenant to the title and shall be transferable only as part of the transfer of the title to the lot. Each such membership shall entitle the owners of the lot, the residents thereon and their families to enjoy the facilities of the Club, subject to the rules, regulations and payments as may now or hereafter be established by the Club, which rules, regulations and payments shall apply equally to all

memberships. Nothing herein shall preclude the Club from making its facilities and memberships available to such others as it deems advisable.

2. Portions of the real property used by the Club shall not be subject to the restrictions elsewhere imposed herein, but shall be used for common service facilities as the Club deems advisable for the benefit of its members. By accepting conveyances of properties from Roland & Roland, Inc. the Club and its members agree to comply with provisions for elsewhere herein shall be effective to such properties.

3. In order to provide for maintenance and improvement of the various Club properties, each grantee and vendee of lots, their heirs, successors and assigns, shall and do by act of accepting a deed or entering into a contract of sale as vendee, jointly and severally agree that they and each of them shall pay to the Club the dues and charges levied accordingly to the Bylaws of the Beach Club and the provisions herein. In the event that such dues or charges remain unpaid to the Club for a period of sixty days after the due date then the Club may record a written notice with the Auditor of Pierce County, Washington, that it claims a lien

against the lot to which the membership is appurtenant for the amount of delinquent dues and charges, together with interest at the rate of ten per cent per annum from the due date until paid and attorney's fees as herein provided. From and after recording such notice, the lot to which the membership is appurtenant shall be subject to a lien to the Clubs security for such dues and charges in the amount designated therein with interest and attorney's fees and

such lien may be foreclosed in the manner of a mortgage of real property and in such foreclosure action the Club shall recover a reasonable sum as attorney's fees therein and the reasonable and necessary costs of searching and abstracting the public record.

4. In consideration of the rights and liens conferred upon the Beach Club, it hereby agrees to

maintain the lake, dam, roads, drainage system, community beach and facilities, water level of the lake and any other facilities donated to or acquired by such club for the benefit of all of its members until such time, if any, that any of such functions may be assumed by a public authority. For this purpose such Beach Club joins in the execution of these restrictions, covenants, and conditions.

Article VI Easements And Reservations

1. The owners of each lot, their invitees and licensees, are hereby granted easement for ingress and egress over and upon all private roads shown in the plat of Palmer Lake or other plats subject to these restrictions, covenants and conditions, which easements of ingress and egress shall be appurtenant to such lot.

2. The owners of each lot are likewise hereby granted the right to use the lake and surface thereof for recreational and other purposes; provided, however, that no motor driven boats of any kind shall be authorized upon the lake.

3. Roland & Roland, Inc. hereby conveys and grants to Palmer Lake Beach Club the right, power and authority upon affirmative vote of a majority of its membership at any meeting called according to its Bylaws, to dedicate to public use, all or any part of the real property shown as roads upon the plat and to transfer to any governmental authority having appropriate jurisdiction all or any part of the easements, rights and authority it may acquire incident to providing utility services to its membership.

Article VII Miscellaneous Conditions

1. The covenants, restrictions, easements, rights, liens and encumbrances herein provided for shall be covenants running with the land and shall be binding upon the real property any or all parts thereof, the parties in interest thereto and their heirs, assigns, personal representatives and successors in interest. Accepting as interest in and to any portion of the real property shall constitute an agreement by any person, firm or corporation accepting such interest, that they and each of them shall be bound by and subject to the provisions hereof.

2. In the event that any provision hereof shall be declared to be invalid by any court of competent jurisdiction, no other provision shall be affected thereby and the remaining provisions shall remain in full force and effect. No waiver of the breach of any provisions hereof shall constitute a waiver of a subsequent breach of the same provision or any other provision. No right of action shall accrue for or on account of the failure of any person to exercise any right hereunder nor for imposing any provision, condition, restriction or covenant which may be unenforceable.

3. The parties in interest in and to any part of the real property and the Club, for the benefit of the owners of the real property, and each of them shall have the right and authority to enforce the provisions hereof and, in addition to any other remedy for damages or otherwise, shall have the right to injunctive relief. Except for the foreclosure of the lien provided for in Paragraph 3 Article V, the prevailing party in any action to enforce any provision hereof shall recover a reasonable sum as attorney's fees, together with the reasonable costs for searching and abstracting the public record, which sums shall be paid by the unsuccessful party.

4. All lots in this plat shall be provided water by public or private water company, and all lot owners are required to subscribe to such water system and to pay the established rates and charges. No private wells are permitted.

Article VIII Amendments

1. The provisions hereof may be amended, changed, revoked, or terminated in whole or part anytime by written instrument signed by the owners of a seventy-five (75%) per cent majority in area of the real property and recorded with the Auditor of Pierce County, Washington.

2. For the purposes of this Article VIII, the word “owner” shall mean any person, firm, or corporation holding either fee title or a vendee’s interest under a real estate contract as shown by the records of Pierce County, Washington, to the exclusion of any lesser interest.

The End