

4.2.1.2. RATIONALE

Financial liabilities are not consistent with the number of votes currently allocated to a membership. The amendment of Bylaw 4.2.1.2 equates each member's vote to their financial share. One lot would be considered one share. The lot owner(s) will be entitled to one vote for each lot owned.

Currently the member vote is inequitable. A member with one lot has one vote and one dues. A member with two lots has only ONE vote but is responsible for TWO dues. While owners of multiple lots are impacted more by matters voted on by the membership, a member with two lots has half the voting rights of a member with one lot.

One vote for each lot is a common arrangement for other HOAs, including Isle Aire Beach Association on Lummi island and Sudden Valley Community Association in Whatcom County. One vote per lot is also required by law in many states, such as California, Florida, Minnesota, and Virginia.

Amendment of Bylaw 4.2.1.2 to assign one membership vote to each LISE lot regardless of the number of lots owned by a single entity.

4.2.1.2. As written:

~~Each owner or purchaser shall have one membership regardless of the number of lots owned or purchased, and the voting interest of each member shall be equal to that of any other member, and no member can acquire any interest which shall entitle him to any greater voice, vote or authority in the Community Club than any other member. If any lots are held by two or more persons, the several owners of such interest, i.e. husband and wife, partners, etc., shall be collectively entitled to cast ONLY one vote.~~

4.2.1.2. As proposed:

The membership shall consist of and be limited to the owners of lots within the boundary of the Community Club who shall have one membership for each lot. A member shall be entitled to one vote for each lot which he/she owns. If any lots are owned by two or more persons, the several owners of such interest, i.e. husband and wife, partners, etc., shall be collectively entitled to cast ONLY one vote.

4.5.1.2. RATIONALE

The amendment of Bylaw 4.5.1.2, treating multiple lots used for a single building site as one lot, liable for one annual dues. Once Dues Relief is granted by the BOD under Part 6 guidelines, this would not be reversible or changeable by either party.

Currently the Board of Directors can adjust the amount of Dues Relief afforded to bound lots "in accordance with the financial interests and needs of the Club." according to Part 6.3.6. Article 6.3.2 requires that the lots be combined into a single lot at the County, so that they cannot be sold separately.

The current arrangement is not reversible by the member, yet the LISECC Board of Directors may change the financial obligations at any time, even though it is effectively impossible to reverse bound lots with Whatcom County if a building site covers more than one of the originally platted lots. This amendment moves the authority of dues allocation to the Bylaws which can only be changed with a vote of the membership.

Amendment of Bylaw 4.5.1.2. to treat multiple lots used for a single building site as one lot, liable for one annual dues assessment.

4.5.1.2. As written:

Dues against members or the land owned or being purchased by them shall be levied by the Board of Directors on an equitable basis without distinction or preference of any kind, except that in cases where a member uses two (2) or more contiguous lots as a single building site, dues (~~only~~) may be levied at the Board's discretion on only one lot. This exception may be granted only if the use is within the Board's published guidelines (Section 6) and after the dwelling is completed. All dues, when collected by the Community Club, shall remain the property of the members until such time as they are expended pursuant to the Articles of Incorporation and Bylaws of the Community Club. All dues, assessments, interest, fines, penalties and other payments due the Community Club shall be payable in U.S. funds or their equivalent.

4.5.1.2. As proposed:

Dues against members or the land owned or being purchased by them shall be levied by the Board of Directors on an equitable basis without distinction or preference of any kind, except that in cases where a member uses two (2) or more contiguous lots as a single building site, dues may be levied at the Board's discretion on only one lot. This exception may be granted only if the use is within the Board's published guidelines (Section 6) and after the dwelling is completed. Once dues relief is granted according to Section 6, the bound lots shall be considered only one lot for all purposes and the terms of the arrangement may not be changed by either the Board of Directors or the owner. All dues, when collected by the Community Club, shall remain the property of the members until such time as they are expended pursuant to the Articles of Incorporation and Bylaws of the Community Club. All dues, assessments, interest, fines, penalties and other payments due the Community Club shall be payable in U.S. funds or their equivalent.

4.5.2.1. RATIONALE

Currently this bylaw about special assessments is silent regarding the “Dues Relief” exception. Once Dues Relief is granted by LISE under Part 6 guidelines, the owner is still required to pay a special assessment on each originally platted lot, even though LISE requires the lots to be bound as a single lot with the County. As it is effectively impossible to reverse bound lots with Whatcom County if a building site covers more than one of the originally platted lots, owners are unfairly saddled with multiple special assessments.

This amendment would address the allocation of special assessments in the Bylaws which can only be changed with a vote of the membership.

Amendment Bylaw 4.5.2.1 to recognize bound lots as one lot liable for only one special assessment.

4.5.2.1. As written:

At any meeting of the membership a majority of the members present may vote special assessments to finance any improvement project, emergency repair, general upkeep, or other desired expenditure. The purpose of an assessment must be clearly stated, be for one single purpose, carry an exact cost limitation, list the proportionate maximum cost to each lot, state the duration the assessment is to run, give the date the assessment becomes due and payable, and set forth any limitations or other instructions to govern the expenditure of the funds so authorized to be collected and disbursed. All assessments voted by the membership under this section are to be levied in addition to the annual dues as set forth in 4.5.1.1. If a special meeting is called for the purpose of voting a special assessment, such notice must set forth the fact that an assessment will be the subject of a vote. In addition to annual dues and/or assessments levied against all lots, the Board of Directors shall have the power to levy charges against any lot or lots for services actually supplied or rendered, including water.

4.5.2.1. As proposed:

At any meeting of the membership a majority of the members present may vote special assessments to finance any improvement project, emergency repair, general upkeep, or other desired expenditure. The purpose of an assessment must be clearly stated, be for one single purpose, carry an exact cost limitation, list the proportionate maximum cost to each lot, state the duration the assessment is to run, give the date the assessment becomes due and payable, and set forth any limitations or other instructions to govern the expenditure of the funds so authorized to be collected and disbursed. All assessments voted by the membership under this section are to be levied in addition to the annual dues as set forth in 4.5.1.1. In cases where a member uses two (2) or more contiguous lots as a single building site and dues relief has been granted under 4.5.1.2, any special assessment shall be levied against only one lot. If a special meeting is called for the purpose of voting a special assessment, such notice must set forth the fact that an assessment will be the subject of a vote. In addition to annual dues and/or assessments levied against all lots, the Board of Directors shall have the power to levy charges against any lot or lots for services actually supplied or rendered, including water.