

**BY-LAWS OF
MASON COUNTY LOST LAKE
COUNTRY CLUB**

Updated May 2024

ARTICLE I

GENERAL PROVISIONS

- A. Name.** The name of the Association is Mason County Lost Lake Country Club (the "Association").
- B. Jurisdiction.** This Association has jurisdiction over all land within the Plat of Lost Lake, an Addition to Mason County, Washington, as legally described in said plat recorded under Vol. 4, Pages 123, 124, and 125, and under Mason County Auditor's File No. 159583 (the "Plat").
- C. Purposes.** The purposes for which this Association is founded are to conduct business and affairs proper to the administration of the Plat and restrictions contained therein, and to exercise any or all powers of non-profit associations and homeowners' associations pursuant to the laws of the State of Washington, including Chap. 24.03 RCW and Chap. 64.38 RCW, or as amended.
- D. Authority.** This Association is subject to the Plat and restrictions therein, and as the same may be amended in the future, as well as any other applicable recorded documents; these Bylaws; other Association governing documents and rules and regulations of the Association; Chap. 24.03 RCW, the Nonprofit Corporation Act, or its successor; Chap. 64.38 RCW, the Homeowners' Association Act, or its successor; and the laws of the State of Washington and of the United States. The Association has all the powers of all similar associations as provided for by State or Federal law.
- E. Definitions.** As used in these Bylaws, the following have the specified meanings:
- 1. Association.** The Association is the entity of the Mason County Lost Lake Country Club ("MCLLCC"), whose members are the property-owners of individual or multiple lots within the MCLLCC community.
 - 2. Common Areas.** These include real property owned by the Association, such as interests in road easement rights, as well as any real property later acquired by the Association.
 - 3. Family Members.** For the purposes of these Bylaws, these include the spouses and children of members, and their dependents who live or reside with them.

4. **Guests.** Guests are those whom a member invites to use the member's property. There are two kinds of guests, social and business. Tenants are not guests. Family members other than those defined above may be guests, depending on the circumstances. Employees, contractors, and other agents are also guests.
 5. **Member.** A member is the owner or contract purchaser of a Plat of Lost Lake lot. Any person may hold only one membership in the Association regardless of the number of lots owned. Those who fall within the jurisdiction of Plat of Lost Lake solely because their property is benefitted by an Easement granted by Plat of Lost Lake members allowing them to use Plat of Lost Lake roads, are not members of the Association.
 6. **Members in Good Standing.** These are members with no current substantial Protective Covenant or other rule violations; and those who are not more than 60 days delinquent in the payment of any amount due to the Association, unless a repayment agreement has been reached and is complied with. Members shall not lose their status as members in good standing because of substantial Protective Covenant or other rule violation unless the Board of Directors notifies them that the Board will consider the same at a hearing. The hearing shall be held at the next regular or special Board meeting, the member will have the right to be heard on the matter, and at the hearing the Board must approve the loss of status by at least a two-thirds vote. One continuance, to the next Board meeting, may be granted by the Board for reasonable cause, in its sole discretion.
 7. **Tenants.** Tenants (renters) are those who compensate a member in some way for the right to live on or use a Plat of Lost Lake lot. "Tenants" does not include guests. Tenants lease the property for more than 30 consecutive days.
 8. **Lot.** A lot is a parcel of land within the jurisdiction of the Association, as shown on the original Plat, or any amendments thereto. If one lot is combined with part of another lot, or another lot or lots, by a Boundary Line Adjustment, boundary line agreement, judgment, or other process producing a generally similar result, each original lot as it existed prior to the combination remains a lot for purposes of the Association, including payment of assessments. If a lot is subdivided, each lot created becomes a separate lot for the purposes of these Bylaws, the Plat, and other governing documents.
 9. **Board of Directors.** The Board of Directors is a group of representatives elected by Association members who govern the operations of the Association. Members of the Board of Directors must also be members of the Association. The Board shall be comprised of a President, Vice President, Secretary/Treasurer, and at least one, but not more than two other Directors.
- F. Powers.** The Association may undertake to do the following, as a Washington State nonprofit homeowners' association, unless otherwise provided in its governing documents:
1. Adopt and amend Bylaws, rules, and regulations by a majority vote of Members in Good Standing present or voting by mail or by proxy at any Annual Members Meeting or at any Special Members Meeting called by the Board of Directors;

- 2. Adopt and amend budgets for revenues including assessments, expenditures, and reserves; and impose and collect assessments for common expenses from owners;**
- 3. Hire and discharge or contract with managing agents and other employees, agents, and independent contractors;**
- 4. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more owners on matters affecting the Association, but not on behalf of owners involved in disputes that are not the responsibility of the Association;**
- 5. Make contracts and incur liabilities;**
- 6. Regulate the use, maintenance, repair, replacement, and modification of common areas;**
- 7. Cause additional improvements to be made as a part of the common areas;**
- 8. Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property;**
- 9. Grant easements, leases, licenses, and concessions through or over the common areas and petition for or consent to the vacation of streets and alleys;**
- 10. Impose and collect any payments, fees, or charges for the use, rental, or operation of the common areas;**
- 11. Impose and collect charges for late payments of assessments and, after notice and an opportunity to be heard by the Board of Directors or by the representative designated by the Board of Directors and in accordance with the procedures as provided in the Bylaws or rules and regulations adopted by the Board of Directors, levy reasonable fines in accordance with a previously established schedule adopted by the Board of Directors and furnished to the owners for violation of the Bylaws, rules, and regulations of the Association;**
- 12. Exercise any other powers conferred by these Bylaws;**
- 13. Exercise all other powers that may be exercised in this state by the same type of corporation as the Association;**
- 14. Exercise any other powers necessary and proper for the governance and operation of the Association; and**
- 15. Exercise any other powers conferred by any other applicable authority, including current and subsequent statutory authority.**

ARTICLE II

MEMBERSHIP

A. General. Although the Board of Directors acts in most instances on behalf of the Association, the primary authority of the Lost Lake community rests with its members, except where assigned to the Board of Directors by law. Members elect Directors to the Board of Directors; approve or disapprove annual and special budgets, including assessment amounts and further financial proposals; and vote on initiatives or referenda. Members are responsible for complying with all Association requirements, including paying in a timely manner all assessments due to the Association, and respecting the Covenants and other applicable rules. Membership is appurtenant to ownership of each lot in the Plat. No member may withdraw membership except by transfer of ownership. Each member in good standing has the right to participate in Association activities, serve on the Association Board of Directors and its committees, and vote.

Each member in good standing also has the right to seek review from the Board of Directors of any decision made by the Association that adversely affects the member, as set forth below.

Members who are not in good standing do not have these rights.

Each member is personally responsible for the actions of himself or herself, and all guests, family members and tenants, as well as all other occupants of or visitors to his or her lot, as they relate to the facilities and operations of the Association, its governing documents, its roads, and other Association rules and regulations and other requirements. Each member also has all the rights and responsibilities conferred by the Plat and governing documents and other Association rules and regulations, as well as State law.

B. Voting Rights. Only members in good standing are eligible voters. Multiple owners of any lot shall designate who shall cast the vote for said lot. One vote may be cast for each lot, but any one entity may only cast one vote, regardless of the number of lots owned. For example, a husband and wife who own two lots together may cast one vote; if the wife is a sole owner of a third lot, then she can cast one vote for that lot, as she is a separate ownership entity as to that lot. Members in good standing can appoint a proxy for voting.

C. Review Rights. Any member in good standing who in good faith believes that the Association has acted in any way contrary to the provisions of these Bylaws or any other Association rules or requirements, including by taking any action involving that member individually, or any action affecting the entire membership, may ask the Board of Directors in writing to consider the matter. The request shall state the rule or requirement at issue, the specific factual allegations made, and the identity and contact information for any witnesses. It shall also include copies of all evidence, where reasonably possible. The Board of Directors shall adopt a reasonable and fair system to address such requests.

D. Meetings.

1. Annual Membership Meeting. There shall be a general annual membership meeting of the Association on the Sunday of Memorial Day Weekend to elect members of the Association Board of Directors, to hear and discuss presentations by the Board of Directors and Committees, to consider the budget prepared and adopted by the Board of Directors, and to conduct other business in connection with the Plat or these Bylaws.

2. Special Membership Meetings. Special meetings of the membership may be called by the President of the Board of Directors, a majority of the Board of Directors, or by members having 25% of the total votes of the Association.

3. Distance meeting attendance. If approved by the Board, Members may participate in a meeting by conference telephone or similar communications equipment so that all persons participating in the meeting can hear each other at the same time. Participation by that method constitutes presence in person at a meeting.

4. Notice. Notice of all membership meetings shall be delivered, or sent by prepaid, first class United States mail, or by other means specified by law, to each member; provided, that electronic notices may be given as provided by law. Notice shall be given not less than 14 days, and not more than 50 days prior to the meeting.

The notice shall state the time, place and agenda of the meeting, and include a brief summary of the significant issues to be discussed or voted on that is reasonably fair and balanced. Notice is deemed to be delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the Association, with postage thereon prepaid, or otherwise as specified by law.

5. Place. Membership meetings shall be held at a convenient facility within the Lost Lake Community area, or other convenient facility, as designated by the Board.

6. Agenda. The notice of any membership meeting shall include the agenda for the meeting, as set by the Board of Directors. The agenda for membership meetings may include elections and approval of a budget and/or other financial proposals. The agenda may also include referenda, which are issues submitted to the general membership by the Board of Directors, either for binding vote, or guidance; and initiatives, which are issues submitted by the signatures of members in good standing representing ten percent of the total votes of the Association. No initiative proposal adopted by the members may, (1) contradict controlling provisions of Association governing documents or federal, state or local law; or (2) unreasonably interfere with the contract rights of any third parties, as determined by the Board of Directors.

At each annual membership meeting, the Officers and committee chairpersons shall provide summary reports of operations of the preceding year, and plans and/or proposals for the upcoming year, as well as long-range plans. The agenda shall also include provision for such

Officer and committee reports, and may also include provision for discussion of particular issues.

In order to be fair to members unable to attend, neither the agenda nor any items on it may be amended during the course of the meeting, and all items to be voted on shall be considered as presented without amendment or modification; Provided, however, that in case of a tie vote, the members present shall participate in a re-vote to resolve the matter.

7. Quorum. A quorum for the transaction of business at any general membership meeting shall be 34% of the total number of votes of eligible voters, voting either in person, by proxy, or by mail-in ballot.

8. Ballots. A member may cast his or her vote in person, by mail, by proxy, or according to procedures established by the Board of Directors.

9. Fifty One Percent Approval. Except as otherwise provided by law or the Association governing documents, all decisions, actions, or elections to be made by the members shall be made by a vote of 51% or more approval of the members who vote, according to procedures specified in these Bylaws and/or state law.

10. Procedures. The Board of Directors shall establish procedures for initiatives, referenda, membership meetings, and other matters relating to membership issues that are reasonable and fair, in its judgment, including procedures to ensure the accuracy of voting as deemed appropriate.

ARTICLE III

BOARD OF DIRECTORS

POWERS AND DUTIES

A. General. The Board of Directors is responsible for acting in all instances on behalf of the Association, except where otherwise expressly provided. It conducts, manages, and controls the affairs and business of the Association, and exercises ownership authority and control over all the common properties of the Association. It shall establish procedures for its meetings and all matters relating to its work that are reasonable and fair, in its judgment. The Board of Directors shall, when necessary and appropriate, develop rules and regulations to support the purposes of the Association that are reasonable and fair. These rules and regulations shall be approved by a majority vote of the Association present or voting by mail or proxy at an annual Members' meeting.

Members of the Board of Directors develop skills and insight into the work of the Association through their service to the Association, including as Directors. Their responsibilities are to follow state laws and the Association's governing documents and rules and regulations in good faith in ways

that, in their individual and collective judgments, best serve the purposes of the Association, and are fair and reasonable.

B. Membership Participation. The Board of Directors shall keep the membership informed of significant current and prospective issues. The Board of Directors shall define such issues, take steps to educate and inform the membership about them, and listen to the members' responses, including use of informational "town meetings" as appropriate. In evaluating the opinions of the members, the Board of Directors shall take care to consider its duties to the purposes of the Association, and to avoid allowing any one member to exercise a disproportionate role in the process.

C. Records. The Board of Directors shall keep records, including, but not limited to, records of the current Articles and Bylaws; a list of members, including names and addresses; sufficiently detailed information to provide to the members a true statement of the financial status of the Association; a list of Officers' and Directors' names and addresses; and minutes of the Board meetings, the general membership meetings, and the meetings of all committees that keep minutes, for at least ten years. In addition, the Board shall keep other records of its operations, as it deems necessary, for the conduct of Association affairs, including matters having to do with individual members and lots. Association records may be inspected and copied by any members and their authorized agents, and mortgagees, upon reasonable advance notice. The only exceptions are for records otherwise protected from disclosure by law. The Association may impose reasonable charges for the inspection and/or copying of the records. The Association shall not release any unlisted telephone numbers of members without authorization. If a member gains access to a membership list by inspection and copying of Association records, use or sale of such membership list by the member is prohibited, and may cause loss of membership in good standing status.

D. Enforcement Actions. The Board of Directors has the authority to enforce the Restrictions on the Plat, as well as its Articles of Incorporation, these Bylaws, and other Association rules and regulations. The Board may determine whether to take enforcement action in any matter, by (1) exercising the Association's power to impose sanctions, including but not limited to the use of procedures established by Board Resolution or rule; or (2) commencing remediation action, including where reasonably necessary litigation; for any violation of the provisions of its governing documents including its rules and regulations. It shall also have the power to exercise all other available remedies at law or in equity.

This determination shall include whether to compromise any claim made by or against it, or regarding its affairs.

Factors for the Board to consider when making such determinations include, but are not limited to:

1. The extent of the seriousness of the circumstances, the Association's attempts to resolve matters by less formal means, and the member's response to those attempts;
2. The relationship between the seriousness of the circumstances and the costs of enforcement;

3. Whether the Association's possible actions involve risk to the Association;
4. The member's historical record of compliance with Association rules, and with attempts at resolution of disputes with the Association or other members regarding Association affairs;
5. The general need for consistent treatment of all members;
6. The need for deterrence of other similar violations by the same member, or others; and
7. Whether it is in the Association's overall best interests in the judgment of the Board to pursue enforcement, and if so, to what extent.

ARTICLE IV

BOARD OF DIRECTORS

GENERAL

- A. Number.** There shall be at least five and not more than six members of the Board of Directors; the determination shall be made by the Board. Any new position shall be filled by the Board for the period between the appointment and the next membership meeting at which Directors are elected.
- B. Qualification.** Any member in good standing is qualified to serve as a Director.
- C. Terms of Office.** Directors shall be elected for staggered terms of four years at the annual meeting of the Association. Each Director shall serve until the earlier of his or her removal, or the election of a successor. The cycle for Directors is four years, starting as "Director 2" in the first year, "Director 1" in the second year, becoming the VP in year 3, then the President in year 4. The Board position(s) of Secretary/Treasurer do(es) not have a term of office, and serve(s) at the pleasure of the Board.
- D. Removal.** A Director may be removed with or without cause by a majority vote of the members in good standing voting in person, by mail, or by proxy at a meeting with a quorum, upon proper submission of a member initiative or Board of Directors referendum. A Director may also be removed by resignation or disqualification. Resignation is effective upon delivery of written or oral notice of the same to the President of the Board of Directors, or Vice-President in case of the unavailability of the President. A Director shall become disqualified if he or she is no longer a member, or a member in good standing; or misses three consecutive meetings without reasonable cause, as determined by the Board of Directors. The Board shall determine such vacancies and disqualifications, and declare a Director position vacant, by motion and vote.

E. Vacancies. If a Director is removed, becomes disqualified, or resigns, or a vacancy occurs in a Board position for any reason, the remaining Directors shall appoint a successor within a reasonable period of time, even though less than a quorum is present at the Board meeting at which the matter is considered. The appointed successor shall serve in an interim capacity until the next annual Association meeting, at which time a replacement Director will be elected by a majority of Association members, and serve the remainder of the previous Director's term.

F. Meetings.

1. Where and When. There shall be an annual meeting of the Board of Directors in May, on Memorial Day weekend of each year, to address Association affairs and to prepare for the annual membership meeting. In addition, at the conclusion of the annual membership meeting, the Directors in office shall meet to elect from among their number the Association Officers. Special meetings of the Board of Directors may be called by the President, or a majority of the Board by delivery of a Notice of the same in writing, signed by the initiating Board members, to the President directly or through email. All Board meetings shall be held at a place designated by the President that is reasonably convenient for the Directors.

2. Notice. Notice of regular Director meetings shall be given by general reference in mailings to the membership, or by electronic communication. Notice of special Board of Directors meetings shall be given, when reasonably possible, to the Directors at least 24 hours prior to the meeting, by delivery of notice of the same in writing, signed by the President or initiating Board members, to the Directors at least 24 hours prior to the meeting, when reasonably possible. If such Notice is not reasonably possible, then Notice shall be given to Directors in a manner most likely to provide actual notice.

3. Quorum. A quorum of the Board of Directors for the transaction of business shall be a majority of the then sitting Directors.

4. Majority. A majority vote of the Directors at a meeting at which a quorum is present is sufficient to transact the business of the Board of Directors.

Directors may not vote by proxy.

5. Distance Meeting. Any meeting of the Board of Directors may be conducted by telephone conference call, or similar communications medium, whereby all Directors participating are in voice or electronic contact with each other throughout the meeting, subject to all other meeting requirements as set forth herein.

6. Unanimous Consent. In addition, in lieu of a Board meeting, the Board may act if a written consent, setting forth the action to be taken, is executed by all of the then sitting Directors entitled to vote on the matter, submitted to the President of the Board, and maintained with the records of the Association for a reasonable time.

G. Delegation of Powers. The Board of Directors may delegate such powers with respect to management of the Association as it deems appropriate, subject to state law and the governing documents and rules and regulations of the Association.

H. General or Special Budget for Income, Expenses and Reserves. The Board of Directors shall adopt a proposed annual budget for (1) annual and special assessments (including for assessment rates per lot) and other income, (2) expenses, and (3) reserves; as well as special or amended budgets for the same, or any of them, when needed. Assessments shall be set in an amount the Board deems necessary to meet the purposes of the Association and shall be imposed on an equal basis per lot. Within thirty days after adoption by the Board of Directors of any such proposed regular or special budget of the Association, the Board shall set a date for a meeting of the owners to consider ratification of the budget, including the assessment amounts. Written notice of any such meeting shall be sent to all members not less than fourteen nor more than fifty days before said meeting and shall include a summary of the budget to be considered by the members. Unless at that meeting the owners of a majority of the total votes in the Association that may be voted reject the budget, in person, by proxy, or by mail, the budget, including assessment rates, is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, or the required notice is not given, the periodic budget last ratified by the owners shall be continued until such time as the owners ratify a subsequent budget proposed by the Board of Directors.

This provision is intended to comply with the requirements of State law. If at any time those requirements change, this provision will be deemed to change to comply with the then-current State law.

ARTICLE V

OFFICERS

A. Officers. The Officers shall include a President, Vice-President, and Secretary/Treasurer. The Board may determine to change its Officers at any Board meeting with a quorum.

B. President and Vice-President. The President shall preside at all meetings of the Directors and members, shall sign as President on all agreements, contracts, and instruments authorized by the Board of Directors, and shall be its Chief Executive Officer. The Vice-President shall perform the duties of the President when the President is unavailable.

C. Secretary/Treasurer. The Secretary/Treasurer shall be, (1) generally responsible for all meeting notices and the minutes of all meetings of the membership and of the Board of Directors and shall have charge of all of the Association books, records, and papers; and, (2) generally responsible for keeping safely all money and financial accounts of the Association; and for preparing and keeping, or overseeing the preparation and completion by an accounting professional, of a complete accounting of the financial records of the Association.

D. Execution of Documents. The President, or in the absence of the President, the Vice-President, shall sign and execute all contracts, conveyances, notes, and security agreements on behalf of the Association. When necessary due to particular circumstances, the Board of Directors may specifically authorize signing and execution otherwise. Checks, drafts, and other negotiable instruments, and other documents except amendments to Association documents, may be signed and/or executed as provided by the Board of Directors. The President or Vice-President, in the absence of the President shall be responsible for preparing, executing, certifying, and recording Association governing documents, Association rules and regulations, and amendments thereto.

E. Employees and Agents. The Board of Directors may appoint, engage, and/or employ, pursuant to its direction, employees, contractors, agents, and volunteers.

ARTICLE VI
COMMITTEES

A. Director Committees.

1. Covenant Committees. The Board of Directors may form Committees of the Directors, including but not limited to the Road Maintenance Committee; Water System Committee; and/or any other committee as decided by the Board of Directors.

2. Other Director Committees. The Board may also form committees of Directors at any time for such purposes as it may deem necessary, by Resolution adopted by a majority of the Directors in office. Each such Resolution shall specify the composition of and procedures for and functions assigned to each committee, and any other matters reasonably necessary to its effective operation. Such committees, to the extent provided in the Resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation, except as otherwise provided by law. The President of the Board shall have the authority to appoint to and remove members from these committees, with the consent of the Board of Directors. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him or her by law.

3. Member Committees. The Board of Directors may also form committees composed of general members, which may also include Directors, by Resolution adopted by the Board. Each such Resolution shall specify the composition of and procedures for and functions assigned to each committee, and any other matters reasonably necessary to its effective operation. No such member committee shall have the authority to act for the Association. In matters requiring Association action, such committees shall make recommendations to the Board of Directors, which may adopt, adopt as amended, or reject such recommendations, at its discretion.

ARTICLE VII
CODE OF ETHICS

A. Standard of Care. All persons performing services for or on behalf of the Association, including Directors, shall do so in good faith, in a manner they believe to be in the best interest of the Association, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances.

All members shall act with good faith in all matters arising in any way out of their membership in the Association; "good faith" means an honest belief made with good intentions.

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:

1. One or more Officers or employees of the corporation whom the Director believes to be reliable and competent in the matter presented;
2. Counsel, public accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or
3. A committee of the Board upon which the Director does not serve, duly designated in accordance with a provision in the Articles of Incorporation or 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. Open Meetings. All official meetings of the Board of Directors and its committees shall be open for observation by all members and their authorized agents, except as otherwise specified by law. The Board of Directors, or any of them, may meet together in informal study sessions, which do not constitute official Board meetings so long as no votes are taken and no business is transacted, and no binding agreements are made regarding official actions of the Board.

C. Conflict of Interest. No member of the Board of Directors, or of any Board of Directors committee, shall participate in any vote on any subject in which he or she has a specific personal, professional, financial, or other conflict of interest. He or she may, however, participate in discussions regarding the same. When a Board or committee member has duties that present the possibility of a conflict of interest, or the appearance of a conflict of interest, the Board shall first consider directly the risks presented, and if it decides to approve the performance of such duties, it shall then adopt by Resolution a clear statement of the circumstances, and the safeguards that will be put in place.

D. Loyalty. All members, including Directors, are encouraged to share their views and opinions. Constructive dissent can be a very valuable resource to a Board of Directors. Directors may vote in the minority on issues, and they are not required to personally endorse any Board of Directors

decision or action. They may discuss their opinions freely and openly with anyone. But by accepting a Board of Directors position, each Director assumes a duty of loyalty to the Association, and each Director agrees to work within the Association processes and for the benefit of the Association and not their own views or opinions if such are not in the best interests of the Association; and not to either individually, or in collaboration with others, intentionally sabotage or subvert the work of the Board of Directors.

All members are encouraged to express their opinions constructively. The participation of members is essential to the work of the Association, in many ways. Members are encouraged to help directly and indirectly. However, members are also encouraged to participate in ways that are constructive, and not destructive. Criticism, with the intent to improve, can be constructive. But if participation is made in a primarily destructive context, it can harm the work of the Association. The Association relies on the help of its Directors, Officers, employees, agents and contractors, committee members and volunteers, and each of these is entitled to serve the Association free from destructive and/or personal criticism.

Members are encouraged to support all of these in their work for the Association, which can and should include good faith suggestions for improvement offered in a reasonable and fair context. On the other hand, no member has the right to attack any of these for his or her service to the Association in a way that alarms, annoys, harasses, or is detrimental to him or her. The Board may adopt reasonable and fair measures that limit the ability of a member to communicate with a Director, Officer, employee, agent, contractor, committee member or other volunteer if that member has demonstrated an inability in the past to make such communications constructive as opposed to destructive and/or personal attacks. These measures may include warnings, written and verbal; fines; exclusion from common areas and/or meetings; and any other measures reasonably calculated to protect Association Directors, Officers, employees, agents, contractors, committee members and volunteers from undue harassment.

E. Confidentiality. All members, including Board members, as well as volunteers, employees, agents, and contractors, shall maintain confidentiality with respect to any information they become aware of having to do with any matters involving legally protected personnel matters; consultation or communications with legal counsel; likely or pending litigation; possible violations of the governing documents involving the possible liability of a member to the Association; and any other matters the privacy of which is protected by law.

F. Loans. The Association shall make no loans to its Directors or Officers.

G. Audits. The Board of Directors may cause to be prepared an audit of any or all of the financial accounts or affairs of the Association at any time, and to what extent, it deems appropriate. In addition, at least annually, the Board of Directors shall cause to be prepared a financial statement of the Association. Such financial statements shall be audited where provided by law, or as directed by the Board of Directors.

H. Accounts. The funds of the Association shall be kept in accounts in its name and shall not be commingled with the funds of any other Association, the President of the Association, or any other person responsible for custody of such funds.

I. Liability. The Association shall hold the Board of Directors, if acting on behalf of the Association or Board, harmless from any actions taken (or actions not taken) under any provision of these Bylaws, included but not limited to, actions taken (or not taken) under these Bylaws. By purchasing a Lot in the Association, the Members agree that to the extent permitted by law neither the Association (nor any officer, director or representative of the Association) shall have any liability to the Members or to the Association for any actions taken, or actions not taken, while acting on behalf of and for the benefit of the Association.

ARTICLE VIII

ASSESSMENTS

A. Obligations. Each member, by accepting an ownership interest in any lot within the development, agrees to pay all assessments imposed by the Association, as defined below. Assessments shall not be imposed against the lots that constitute common areas. No counterclaim, cross-claim, claim of set-off, or any other claim or defense, of any nature, by a member against the Association shall excuse the payment of any assessment, or cause the delay of any collection proceeding by the Association, including a lien foreclosure action, pending the resolution of such claim(s).

B. Assessment Account. All assessment funds shall be maintained in an account established by the Lost Lake Association and shall not be used for any purpose other than the cost of maintenance, improvement, and/or repair of the common roads; landscaping and maintenance of the common areas; fees and costs reasonably related to the enforcement of these Bylaws or other Association governing documents; collection of Association assessments; Association operating expenses such as professional fees, postal costs, and office supplies; and other fees and expenses reasonably related to the purposes of the Association.

C. Assessment Definition - Personal Obligation and Lien. Assessments as defined herein shall constitute a personal obligation of each member. This personal obligation shall not pass to the member's successors in interest unless assumed by the same in writing. A successor shall be responsible for assessments which become due on and after the date of succession. In addition, assessments, shall constitute a lien as specified herein against each lot subject to each such assessment, whether this lien is reduced to writing and recorded, or not. The date of each such lien shall relate back to the date of the recordation of the original restrictive Covenants that apply to each lot.

D. Member Obligations, Payment Agreements. Members have the obligation to pay assessments, but the Association recognizes that individual members often face financial difficulties. The Association shall diligently collect all accounts. When an account becomes delinquent, the Association shall make reasonable efforts, in its sole judgment, to work with the member, at the request of the member, to bring the account current, including readily accepting reasonable payment plans, supported by a promissory note, where such plans agree to the amount owed and the interest rate specified by the Association, provide for payment in full of all delinquencies within a reasonable

time within the discretion of the Board, and specify that all future assessments will be paid timely. Payments of assessments will be applied evenly to each of multiple lots owned by the same member or entity.

E. Foreclosure. When reasonable collection efforts are not successful, and if appropriate in the judgment of the Association, assessment liens may be foreclosed, in the general manner of foreclosure of real property mortgages, with adaptations where reasonable in the judgment of the Board of Directors; provided, that a revised deficiency judgment may be entered after confirmation of sale, crediting the sale proceeds, and any payments or other credits, and debiting any post-judgment assessments, costs, and attorney fees, and any other assessments as defined below; the member may stay the proceedings at any time, prior to sale, by payment to the Association of the full amount due, as defined below; the purchaser at sale shall be entitled to possession during the period of redemption, if any; after sale, the amount required to redeem shall include any and all supplemental judgment amounts and any other assessment amounts not yet reduced to supplemental judgment; and if a lot has been improved and abandoned, as defined by state law, upon request, a court may order no redemption period.

Nonpayment of the lien provided for herein may result in foreclosure of the lien, and the homestead protection under RCW chapter 6.13 shall not apply.

F. Lien Priority. The lien of Association for payment of all assessments as defined herein is prior to any other lien, mortgage, deed of trust, or any other encumbrance, regardless of filing date of notice of the same.

F. Subordination Agreement. The Association may choose to subordinate its lien to any other encumbrance, when in the best interests of the Association, and consistent with the purposes of the Association as set forth herein.

G. Assessments. The following are included in the meaning of "assessments:"

1. General Annual Assessment and/or Dues. The Association shall impose a general annual assessment on each lot within the development, which assessment or dues shall be imposed as specified in these Bylaws.

2. Special Assessments. Special assessments for particular expenses may also be proposed by the Board of Directors and imposed by a majority vote of members as specified in these Bylaws.

3. Other Charges. In addition to these general and special assessments, the following charges may also be imposed, and are for the purposes of the Bylaws also considered assessments:

a. Service Fees. The Board of Directors may in its discretion impose direct fees for such utilities, goods, and services as, for example, mailboxes and mailbox shelter maintenance, and lien filing;

b. Remediation expenses. The Board of Directors may charge to a member any lot condition remediation expenses incurred by the Association, either before or after any Sheriff's sale.

c. Fines. Any fines, pursuant to a system for the imposition of fines for violation of Association Covenants, Bylaws, governing documents, and/or rules, as adopted by the Board of Directors;

d. Late Fees and Interest. The Association may add reasonable late fees, as well as interest of ~~not more than 12% per annum, compounded annually,~~ to any delinquent account and all assessments related thereto; and

e. Expenses and Fees. If the Association, or any Association member, is required to expend any funds, with or without litigation, in pursuit of the collection of any assessments, as defined in these Bylaws, or any holder of any interest in a Lost Lake Association lot; including the payment of any real property or other taxes associated with the subject lot; the assertion of or defense to any claims regarding the authority, jurisdiction or exercise of any of the powers of the Association; the assertion of or defense to any claims regarding the personal or real property of the Association; the correction of any violation of Association Covenants, Bylaws, governing documents, and/or rules; or with regard to any other dispute concerning its actions and/or powers; all expenses, including but not limited to attorney, accountant, other expert, title report and surveyor fees; and all other costs of proceeding, including court and discovery expenses; and any and all other amounts reasonably expended in the process of collection, dispute resolution or correction; shall be paid by the member or person or other entity holding an interest; and shall also become a lien on the subject property of the responsible party and may be foreclosed as such.

f. Application of Payments. Payments made on member accounts will be applied in the following order, unless otherwise as specified by the Association: first to the oldest assessment delinquency; then to more recent delinquencies in order, oldest first.

ARTICLE IX

GOVERNANCE

A. Binding Rules. The rules of the Association, including the Covenants, Articles of Incorporation, these Bylaws, and other Association rules and regulations, are binding on all members, as of the date that each such rule is enacted, and apply to all existing conditions and circumstances, unless otherwise specifically provided. This applies to actions of members having to do with their own lots, the lots of others, common areas, or in any way arising out of membership in or use of or presence at any lot or common area within Plat. The acceptance of an interest in title also constitutes an agreement that the member accepts Association governing documents and rules and

regulations as they exist now and may be amended in the future, for himself or herself as well as for all family members, guests and tenants.

The provisions of these Bylaws and other Lost Lake Association governing documents are also binding on all other persons or entities who or which take any interest in any Lost Lake lot, including use of such lot as security for repayment; any such interests are subject to the terms of these Bylaws and such governing documents.

The provisions of the Covenants prevail over any conflicting or inconsistent provisions of the Articles of Incorporation, Bylaws, or rules or regulations. The provisions of the Articles prevail over any conflicting or inconsistent provisions of the Bylaws or rules or regulations. The provisions of the Bylaws prevail over any conflicting or inconsistent provisions of the rules or regulations.

B. Covenant and Rule Interpretation and Construction. Where any terms of the Covenants and/or other rules are unclear, the Association shall have the right, power, and authority to construe and interpret the same by providing a meaning that is reasonable and fair, and advances the purpose of the Association and the collective interests of the members.

C. Member Responsibilities and Violations of Rules. It may from time to time be necessary for legal action to be undertaken as specified in Art. VIII(G)(3)(e) above. The Association itself may bring or respond to actions, and where the rule involved is a recorded restrictive Covenant, any individual members may also do so, and all legal and equitable remedies and claims shall be available to them. If the Association incurs any expenses related thereto, the same shall be subject to the provisions of Art. VIII(G)(3)(e) above.

No member may allow anything on the member's lot, or within the jurisdiction of the Association, which is noxious or offensive, or may be or become an annoyance or nuisance or fire hazard to the neighborhood. A member is responsible for the condition and uses of his or her lot. This means, among other things, that if a member succeeds to ownership of a lot that has conditions or uses associated with it that constitute violations of Lost Lake Covenants, Bylaws, governing documents, and/or rules, he or she is responsible for correction of such violations in all ways as if he or she were the owner at the time of the violations.

D. Access and Repairs. The Association shall have the right of access to each of the lots within Plat to make reasonably necessary maintenance and/or repairs to Association property and/or facilities, including its roads, and upon notice to the member that is reasonable under all the circumstances. The Association shall have the right to charge the member for such repairs where the member is the cause of the maintenance and/or repairs, and the member has been given a reasonable opportunity to do so but has not done so.

E. Limitation on Actions. The Association, its Officers, volunteers, committee members, or other members acting with proper authority on behalf of the Association (volunteers); shall not be held liable to the Association or its members or easement holders for conduct within his or her official capacity as such, except for acts or omissions that involve intentional misconduct or a knowing violation of the law; or that involve a transaction from which the volunteer will personally receive a benefit in money, property, or services to which the volunteer is not legally entitled.

In addition, the Board, and its Directors, undertake many responsibilities for the administration of the Association. If, in the course of its work, the Board, or its Directors, fails to comply with administrative requirements as set forth herein or in other rules or regulations of the Association, and such failure is not the cause of substantial damage to any member(s) or the Association, then the sole remedy available to members is to make the Board aware of any related issues; the Board, or its Directors, shall then take necessary actions in good faith to reasonably cure whatever such failures require such remediation; and legal actions may not be brought for such failures without the persistent refusal by the Board or its Directors to respond as required herein, and substantial resulting damage to any member(s) or the Association.

F. Indemnification. The Association may indemnify current or former Directors or Officers, or any other person, to the maximum extent pursuant to law.

G. Limitations. The Association may not have or issue shares of stock; make any disbursement of income to its members, Directors, or Officers; or loan money or credit to its Officers or Directors. The Association may pay compensation in a reasonable amount to its members, Directors, or Officers for services rendered; confer benefits upon its members in conformity with its purposes; and upon dissolution, may make distributions to its members as permitted by governing law, and no such payment shall be deemed to be a dividend or a distribution of income. Conflict of interest provisions of Article VII(C) of these Bylaws apply to all determinations regarding such matters.

H. Severability. If any provision of these Bylaws is deemed illegal or without effect, the remaining provisions shall not be affected.

I. Non-Waiver. Failure of the Association to enforce any Association Covenant, Article of Incorporation, Bylaw, or any other rule or regulation against any member shall not operate: (1) to waive the right of the Association to enforce at any time the same rule or any other rule against the same or any other member; (2) to acquiesce in the future non-enforcement of the same or any other rule; (3) as the abandonment of the right to enforce the same or any other rule; or (4) to constitute any other defense to enforcement in any particular case. No member may rely on any such failure to enforce for any purpose.

J. Application of Bylaws. The provisions of these Bylaws shall apply to all circumstances existing at the time of their adoption, except when to do so would substantially impair an existing substantive vested right or interest. If such circumstances exist, the application of the provisions of these Bylaws shall be shaped to effectuate their purposes to the greatest degree possible while at the same time interfering with such rights only to the extent reasonably necessary to do so.

K. Amendments. Amendments to these Bylaws may be submitted to a vote of the membership by the Board of Directors, or by a petition of members in good standing to the Board of Directors representing 20% of the total votes of the Association. These Bylaws may be amended by the approval of 51% of the members in good standing voting in person, by mail, or by proxy at the Annual Members Meeting with a quorum. The effective date of each amendment shall be as specified therein.

ARTICLE X

WATER SYSTEM

A. General. The Association water system is under the direct control of the Board of Directors. The water system funds shall be kept separate from other Association funds and used only for the water system.

All hookups shall supply only one (1) residence on the lot or partial lot for which it is purchased. No lot owner who has water service shall furnish water to a lot or residence that does not have a water hookup. Failure to comply may result in termination of water supply.

B. Expenses. Emergency Water System repairs or expenses may be authorized by any one (1) Director and paid by the Secretary/Treasurer in the usual manner.

1. New Hookups. All fees for new water hookups shall be set by the Board of Directors and paid in advance. All water hookups to the main line shall be from an in-ground shut off box located on the side of road near property line. The minimum fee is Two Thousand, Five Hundred Dollars (\$2,500.00) costs exceeding this will be the responsibility paid by the applicant member.

2. Annual Assessments. Annual water assessments shall be levied as necessary by the Board of Directors to cover operating expenses and reserve fund. Any hookup for which the assessment has not been paid within thirty (30) days after due date, may be shut off and bear penalty and interest, as provided in these bylaws.

C. Member in Good Standing. Only those Association members having paid water hookups and whose assessments are current shall have a vote in matters concerning the water system, one (1) vote per hookup. Any hookup for which the assessment has not been paid within thirty (30) days after the due date will bear penalty and interest, as provided in these bylaws.

D. Environmental Restrictions. No sprays, chemicals or fertilizers as specified by Mason County Health Department shall be used within 100' radius of the pump-house as per Mason County Health Department.

ARTICLE XI

MISCELLANEOUS RESTRICTIONS

A. Club Lot Block 1 lot 39. Lot 39 is for the use and benefit of all members of the Association that are in good standing, and their guests, for picnicking, swimming, and launching boats. There shall be no tenting or overnight camping allowed on this Lot 39. Alcohol, campfires, and fireworks are banned on this Lot 39. No unattended mooring of boats at the club dock for more than 30 minutes. No unattended parking of vehicles or trailers is allowed on the Club lot.

B. Property Improvements. Members shall obtain all appropriate Mason County or other required permits (i.e. building, electrical, plumbing, health, Dept. of Natural Resources, Shoreline,

etc.) and adhere to them for all improvements to their property. These permits shall be clearly visible on the property.

C. Log Hauling and Heavy Equipment. If the membership/Board of Directors chooses to grant permission for members to haul logs or transport heavy equipment over the club roads, the member shall be required to do the following:

1. Obtain written permission, stating the number of loads allowed, from Port Blakely Mill Co., and Elma Country Club to use their portions of the road;
2. Obtain the proper permit from the Dept. of Natural Resources;
3. The club member undertaking logging, transport of heavy equipment, or any other similar work within the Association's plat will be financially responsible for any damage to club property, easements, or amenities such as the road, the boat launch, the water system, or any other Association-owned assets; and

D. Member Responsibilities for Guests. Members are responsible for any damage caused to club property by their guests.

E. Property Transfer Fee. Owners must notify the Board of planned transfer of ownership in writing prior to closing of property sale or transfer. A transfer fee shall be paid by the seller or transferring party upon closing of transaction.

F. Late Fees. The Association shall charge a late fee of 10% for all payments overdue by more than 30 days.

G. Use of Club Road Right of Way. Driving of a motor vehicle on club road is for licensed drivers only. All WA state motor vehicle laws apply.

H. No Structures To Be Built on Club Property Without Review and Consent of the Board of Directors.

I. Other. Garage sales are expressly banned from occurring on any Lot.

Pets are the responsibility of their owner. Any aggressive dogs or other animals must be controlled and/or remain on the owners' property. Members should contact Shelton Animal Control regarding any aggressive animals. No poultry or livestock shall be kept or maintained on any waterfront lot within the Plat of Lost Lake.

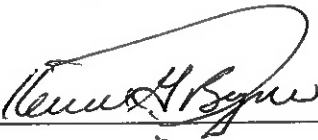
The Association reserves the right to remove any non-running vehicle that is not garaged or is otherwise visible and a detriment to the overall beauty of the property and community subject to these Bylaws.

ARTICLE XII

CERTIFICATION OF AMENDMENT

- A. **Certification.** We, the Board of Directors of Mason County Lost Lake Country Club, certify that the above stated Bylaws were properly adopted.
- B. **Effective Date.** The effective date of these Bylaws shall be and is the 26th day of May 2024. All provisions of these Bylaws shall apply to all members and circumstances subject hereto immediately upon said date, except as otherwise prohibited by law. The Board has consulted with an attorney regarding these bylaws.

By our signatures hereto, we so certify.


5-26-2024

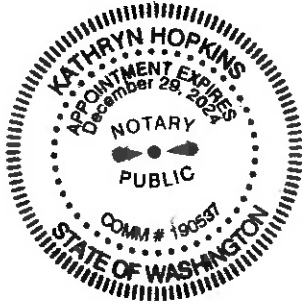
 Ken Brynn Date

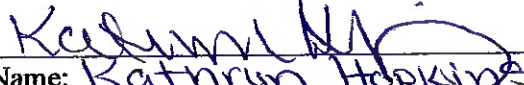
President, Board of Directors

STATE OF WASHINGTON)
) ss.
 COUNTY OF MASON)

I certify that I know or have satisfactory evidence that **KEN BRYNN**, is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

DATED this 26th day of May, 2024.




 Name: Kathryn Hopkins
 Notary Public in and for the State of Washington
 Residing at Shelton, WA
 My appointment expires: 12/29/24

Mark Fenske

5-26-2024

Mark Fenske

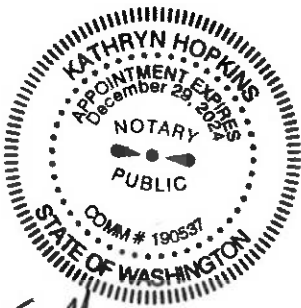
Date

Vice President, Board of Directors

STATE OF WASHINGTON)
) ss.
COUNTY OF MASON)

I certify that I know or have satisfactory evidence that **MARK FENSKE**, is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

DATED this 26th day of May, 2024.



Kathryn Hopkins
Name: Kathryn Hopkins
Notary Public in and for the State of Washington
Residing at Shelton, WA
My appointment expires: 12/29/24

John Horn

Dec 20, 2024

John Horn

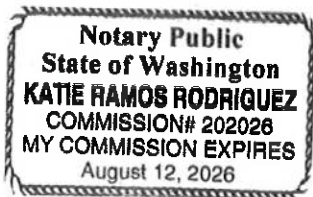
Date

Secretary, Board of Directors

STATE OF WASHINGTON)
) ss.
COUNTY OF MASON)

I certify that I know or have satisfactory evidence that **JOHN HORN**, is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

DATED this 20th day of December, 2024.



Katie Ramos Rodriguez
Name: Katie Ramos Rodriguez
Notary Public in and for the State of Washington
Residing at Wainville
My appointment expires: August, 12th, 2026

Brian Hunter

5/26/2024

Brian Hunter

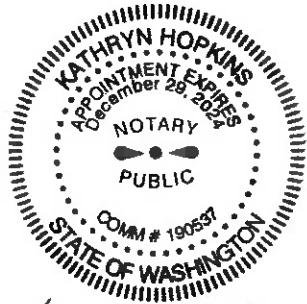
Date

Treasurer, Board of Directors

STATE OF WASHINGTON)
) ss.
COUNTY OF MASON)

I certify that I know or have satisfactory evidence that **BRIAN HUNTER**, is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

DATED this 26th day of May, 2024.



Kathryn Hopkins
Name: Kathryn Hopkins
Notary Public in and for the State of Washington
Residing at Shelton, WA
My appointment expires: 12/29/24

Laurie Samaduroff

5/26/2024

Laurie Samaduroff

Date

Board of Directors

STATE OF WASHINGTON)
) ss.
COUNTY OF MASON)

I certify that I know or have satisfactory evidence that **LAURIE SAMADUROFF**, is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

DATED this 26th day of May, 2024.



Kathryn Hopkins
Name: Kathryn Hopkins
Notary Public in and for the State of Washington
Residing at Shelton, WA
My appointment expires: 12/29/24

William Smith

5/26/2024

William Smith

Date

Board of Directors

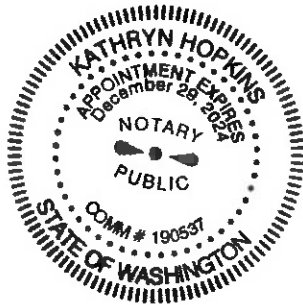
STATE OF WASHINGTON)

) ss.

COUNTY OF MASON)

I certify that I know or have satisfactory evidence that **WILLIAM SMITH**, is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

DATED this 26th day of May, 2024.



Kathryn Hopkins
Name: Kathryn Hopkins
Notary Public in and for the State of Washington
Residing at Shelton, WA
My appointment expires: 12/29/24