

BY-LAWS
OF
LOST LAKE RESORT CONDOMINIUM ASSOCIATION

ARTICLE I

Applicability; Definitions; Location

SECTION 1. Applicability. These By-laws are adopted for the administration of the Association and Property described in that certain Condominium Declaration (the "Declaration") recorded the 9 day of August, 2004, under Thurston County Auditor's Fee No. 3667245.

SECTION 2. Definitions. The terms used in these By-laws shall have the same meaning as in the Declaration, unless otherwise indicated.

SECTION 3. Location. The initial office of the Association shall be located at 1546 Reservation Road, Olympia, WA 98513.

ARTICLE II

Board of Directors

SECTION 1. Number and Term. The affairs of the Association shall be managed by a Board of Directors. The number of initial Directors shall be three (3). The number of Directors which may constitute the whole Board of Directors shall not be less than three (3), nor more than seven (7), however, at all times the number shall be an uneven number of either three (3), five (5),

or seven (7) Directors. The term and election of Directors shall be as set forth in the Condominium Declaration referred to above.

SECTION 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. That the powers and duties of the Board of Directors as set forth in the Condominium Declaration referred to above, shall include, but not be limited to, the following:

- a. Operation, care, upkeep and maintenance of the common areas.
- b. Determination of the common expenses required for the affairs of the Association, including, without limitation, the operation and maintenance of the property.
- c. Collection of assessments from the unit owners.
- d. Employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the common areas. The Directors shall have the authority to enter into a contract for professional management of the condominium.
- e. Adoption and amendment of rules and regulations covering the details of the operation and use of the property.
- f. Opening of bank accounts on behalf of the Association and designating the signatories required therefor.
- g. Obtaining of insurance for the property.
- h. Making of repairs, additions and improvements to, or alterations of, the property.

SECTION 3. Removal. Directors may be removed only as provided for under the provisions of the Condominium Declaration referred to above.

SECTION 4. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors at least three (3) days previously thereto by written notice delivered or mailed to each director at his home address, or by telephone. If mailed, such notice shall be deemed delivered when deposited in the United States mail so addressed, with postage thereon prepaid.

SECTION 5. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) day's notice to each member of the Board of Directors, given in the manner provided for regular meetings, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Directors

SECTION 6. Waiver of Notice. Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 7. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

SECTION 8. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute a decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

SECTION 9. Fidelity Bonds. The Board of Directors shall attempt to obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. The premium on such bonds shall constitute a common expense.

SECTION 10. Compensation. No member of the Board of Directors shall receive any compensation from the Association for acting as such.

SECTION 11. Indemnification. Each member of the Board of Directors is indemnified as provided in accordance with Paragraph 9(h) of the Condominium Declaration.

ARTICLE III

Unit Owners

SECTION 1. Annual Meetings. Within sixty (60) days after conveyance of twenty-five per cent (25%) of the units, the Declarant shall call the first annual meeting of the unit owners. Thereafter, annual meetings shall be held on the anniversary of such date each succeeding year. At such meetings there shall be elected by ballot of the unit owners, a Board of Directors in accordance with the requirements and subject to the provisions of the Condominium Declaration set forth above and these By-laws. The unit owners may also transact such other business of the Association as may properly come before them.

SECTION 2. Place of Meetings. Meetings of the unit owners shall be held at the principal office of the Association, or at such other suitable place convenient to the unit owners as may be designated by the Board of Directors.

SECTION 3. Special Meetings. It shall be the duty of the President to call a special meeting of the unit owners as directed by the Board of Directors or upon petition signed by at least one-third in number of the owners having been presented to the Secretary.

SECTION 4. Notice of Meetings. It shall be the duty of the Secretary to give notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each unit owner of record, at least five (5) but not more than thirty (30) days prior to such meeting.

SECTION 5. Adjournment of Meetings. If any meeting of unit owners cannot be held because a quorum has not attended, a majority in common interest of the unit owners who are present

at such meeting, either in person or by proxy, shall adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

SECTION 6. Voting. The owner or owners of each unit (including the Declarants who shall then own one or more units) or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an unit owner, shall be entitled to cast the votes appurtenant to such unit at all meetings of owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating.

SECTION 7. Majority of Owners. As used in these By-laws the term "majority of unit owners" shall mean those unit owners having more than 50.0% of the total authorized votes of all unit owners present in person or by proxy and voting at any meeting of the unit owners.

SECTION 8. Quorum. Except as otherwise provided in these By-laws, the presence in person or by proxy of twenty percent (20%) of unit owners shall constitute a quorum at all meetings of the unit owners.

SECTION 9. Majority Vote. The vote of a majority of unit owners present at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where in the Declaration or these By-laws a higher percentage vote is provided for.

ARTICLE IV

Officers

SECTION 1. Designation. The principal officers of the Association shall be the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the

Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. No officer need be a member of the Board of Directors.

SECTION 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors and shall hold office at the pleasure of the Board of Directors and until their successors are elected.

SECTION 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

SECTION 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the owners and of the Board of Directors. He shall have all the general powers and duties which are incident to the office of President of a corporation organized under the Nonprofit Corporation Law of the State of Washington, including but not limited to the power to appoint committees from among the unit owners from time to time as he may, in his discretion, decide are appropriate to assist in the conduct of the affairs of the Association.

SECTION 5. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice-President shall

also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

SECTION 6. Secretary. The Secretary shall keep the minutes of all meetings of the unit owners and of the Board of Directors; shall have charge of such books and papers as the Board of Directors may direct; and shall in general, perform all the duties incident to the office of Secretary of a corporation organized under the Nonprofit Corporation Law of the State of Washington.

SECTION 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Directors in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of Treasurer of a corporation organized under the Nonprofit Corporation Law of the State of Washington. No payment vouchers shall be paid unless and until approved by the Treasurer.

SECTION 8. Agreements, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by such other person or persons as may be designated by the Board of Directors.

SECTION 9. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

ARTICLE V

Assessments

SECTION 1: Each member is deemed to covenant and agree to pay the Association:

1. A annual assessment or charge which will be an amount as determined by the Board of Directors in accordance with the Condominium Declaration referred to above
2. That all assessments shall be assessed and collected in accordance with the provisions of the Condominium Declaration.


SECTION 2. Date of Commencement of Annual Assessment; Due Dates. The date of commencement of assessments and the due date shall be as determined by the initial Board of Directors in accordance with the provisions of the Condominium Declaration.

ARTICLE VI

Amendment to By-laws

These By-laws may only be amended in accordance with the provisions of the Condominium Declaration referred to above. As to any provision of these By-laws which is not governed or subject to the provisions of the Condominium Declaration, then as to those provisions, they may be amended by a majority vote of the unit owners.

DATED this 1 day of OCTOBER, 2008.


Secretary

Certification

I, the undersigned, do hereby certify that I am the duly elected and acting secretary of Lost Lake Resort Condominium Association, the foregoing By-Laws constitute the original By-Laws of said Association as adopted at a meeting of the Directors hereof.

DATED this 1 day of OCTOBER, 2008

SWT
Secretary