

BY-LAWS OF
MAY CREEK CLUB, INC.

ARTICLE I
Purpose

SECTION 1: This corporation shall be conducted as a non-profit corporation for the purposes set forth in the Articles of Incorporation.

SECTION 2: The purpose for which this corporation was created may be altered, modified, enlarged or diminished by a vote of a majority of the membership at a meeting duly called for such purpose.

ARTICLE II
Membership

SECTION 1: The membership of the corporation shall be limited to the owners of lots in the geographical area described as follows:

May Creek Mountain View Tracts and May Creek Mountain View Tracts Division No. 2, Division No. 3 and Division No. 4 situated in Section 5, Township 27 North, Range 9 E. W. M., Snohomish County, Washington.

The privileges and facilities of the corporation shall be extended to members, spouses, children, guests, tenants or other users of the property subject to governmental restrictions and rules and regulations adopted by the corporation. Enforcement of restrictions, rules and regulations may be by the corporation, the county, or both.

SECTION 2: Membership shall be inseparably appurtenant to the lot owned or being purchased by the members, and upon the transfer of ownership or the making of a contract for the sale of such lot, the membership appurtenant thereto shall be deemed to be transferred to the contract purchaser or grantee. A member in good standing may appoint a designee to represent them in voting and/or as a member of the Board of Directors. No membership may be conveyed or transferred in any other way inter vivos. In the event of the death of a member, their membership passes in the same manner and to the same persons as does the property itself. Membership in the corporation may not be terminated at any time or for any reason whatsoever.

SECTION 3: Lot owners shall be limited to one membership regardless of the number of the lots so owned and the interest of each member shall be equal to that of any other member, and no member can acquire any interest which shall entitle them to any greater vote or authority in the corporation than any other member. If any lot or lots are owned in common by two or more persons, they are entitled to cast one vote. The vote for any membership owned by a group may be cast by any group member, with the proper identification, without presentation of authority from the other(s) and the person casting the vote shall be deemed to have cast the vote with the consent of other person(s) compromising the group.

ARTICLE III

Meetings

SECTION 1: The membership meetings of the corporation shall be held at such place as the Directors may designate, at the date and time designated at the previous meeting, providing they occur in July and February, or, if no date and time was designated, on the second Sunday of July of each year at 2:00 P.M. and on the second Sunday of February of each year at 2:00 P.M.. Notice thereof shall be given by the Secretary, in writing, postage prepaid, by U.S. mail or email, to the address of each member appearing on the books of the corporation, the mailing date thereof to be not less than fifteen (15) days prior to the meeting.

SECTION 2: It is the responsibility of each member to maintain a current mailing address with the corporation and failure to do so will be deemed a waiver of all notice requirements. Members may also provide an email address to receive notices at. If more than one means of communication is provided, the email address will be preferred. All email communications require, by Washington State law, a reply or receipt of delivery to be considered delivered. In the event of no response, physical mail will be sent as well.

SECTION 3: At the February or July meeting of the membership, the members shall elect directors as herein provided and at both membership meetings transact such other business as may properly come before them.

SECTION 4: Special meetings of the members of the corporation may be called at any time by the Board of Directors, or the President, or the Secretary. Any ten (10) members in good standing upon written request to the Secretary, stating the purpose(s) for the special meeting, may call a special meeting of the membership. Prior to the Secretary calling the special meeting, all signees of the written request must be present at a meeting called within fifteen (15) days of submitting the written request with the Board of Directors. The reasons for the special meeting will be discussed. If the reasons for the special meeting cannot be settled to the satisfaction of the majority of the petitioners submitting the request, the Secretary shall call a special meeting. Notice of the special meeting shall state the purpose(s) thereof and shall be given by the Secretary to all members in the same manner as notice is given of the membership meetings.

SECTION 5: At all semi-annual and special meetings of the membership of the corporation twenty (20) members in good standing present in person or by mail ballot or written proxy shall constitute a quorum for the transaction of any business appropriate to a member's meeting. In the absence of a quorum, the only business that may be transacted is the selection of a time and date for the following membership meeting, and to adjourn the current meeting, each requiring a majority vote. No other business may be transacted. A majority of the votes of the members constituting a quorum shall be sufficient to transact other business unless a greater number of votes is required by law, the Article of Incorporation, or these By-Laws with respect to some specified action.

SECTION 6: All members who are delinquent thirty (30) days or more in the payment of any dues or special assessments or are otherwise not in good standing shall not be entitled to vote on any corporation matters until such delinquency is cured.

SECTION 7: Notwithstanding Article II, Section 3 of these By-Laws, members may cast votes either in person, by mail, or by proxy. Mail ballots that are postmarked on or before the date of the vote shall count for quorum and voting purposes, unless the member also attended and voted in person or by proxy, in which case the in person or proxy vote will supersede the mailed ballot. Proxies shall be executed in writing by the member or their attorney-in-fact and filed with the Secretary of the corporation before or at the time of the meeting. Unless otherwise provide in the proxy, a proxy shall be invalid after five (5) months from the date of its execution.

ARTICLE IV Directors

SECTION 1: The powers of this corporation shall be vested in and exercised by or under the authority of a Board of Directors. The number of directors who shall manage the affairs of this corporation shall be not less than three (3) nor more than eleven (11).

SECTION 2: The Directors elected by the members shall serve for three (3) years, except when serving an unexpired term of a Director. Said Directors so elected shall serve as such until their successors are duly elected and qualified, each Director shall be a member of the corporation in good standing or the designee of a member in good standing. A designee must be established by proxy executed in writing by the member or his attorney-in-fact and filed with the Secretary of the corporation before or at the time of election. There shall be at least one (1) less designee on the Board than lot owners.

SECTION 3: The Board of Directors shall meet monthly and as prescribed in Article VI, Section 1.

The Board of Directors may hold special meetings, which shall be called by the Secretary, the President or a majority of the Board. The Secretary shall give each Director notice verbally, or by mail or email, or by telephone or text message, of all regular and special meetings sufficient to enable such Director to attend and in any case at least five (5) days notice in advance of the meeting date. A written waiver of notice signed by the Director, whether before or after the time fixed for the required notice, or the presence of the Director at the meeting without formal objection on the ground of want of notice, shall be deemed the equivalent of the required notice for all purposes. Any May Creek Club board member who misses three (3) meetings in any fiscal year, automatically relinquishes their seat on the May Creek Club Board of Directors. Further, any and all exceptions to the above must be submitted, in writing, to the May Creek Club board for evaluation and must have a majority of the votes of the above-mentioned Board of Directors.

SECTION 4: A majority of the Directors shall constitute a quorum for the transaction of business during meetings of the Board of Directors. A majority vote of the quorum shall be required to adopt any matter.

SECTION 5: Three (3) or more officers of the Board of Directors, as designated by the Board, shall constitute an Executive Committee, which committee shall exercise the authority of the Board of Directors in the management of the corporation to the extent authorized by the resolution and consistent with law.

SECTION 6: Any action by the Board of Directors or the Executive Committee may be overturned by a majority vote of the membership at any membership or special meeting of the membership.

SECTION 7: A Director shall be assumed to have approved the minutes of a Directors' meeting unless they forward their dissent to the Secretary of the corporation within seven (7) days after receiving a copy of the minutes of the meeting.

SECTION 8: The Board of Directors shall have three (3) permanent committees, and such other committees as circumstances may warrant. The permanent committees shall be:

(a) Finance, chaired by a member of the committee appointed by the President. The chairperson may not be the Secretary or the Treasurer. They must be a member in good standing of May Creek Club.

(b) Parks, chairperson to be a member of the Board of Directors appointed by the President.

(c) Roads, chairperson to be a member of the Board of Directors appointed by the President.

SECTION 9: Vacancies occurring in the Board of Directors may be filled by appointments made by the Board of Directors for the duration of the vacated term.

ARTICLE V

Powers and Duties of Directors

SECTION 1: Subject to any limitation in the Articles of Incorporation and these By-Laws, and the laws of the State of Washington, or the applicable subsection of Section 501 of the U.S. Internal Revenue Code of 1954, all the business and affairs of the corporation shall be controlled and conducted by the Board of Directors. Without prejudice to such general powers, and subject to the same limitations, it is hereby expressly agreed that the Directors shall have the following powers and duties:

(a) To elect and remove all the officers, agents and employees of the corporation; to prescribe such powers and duties for them as may be consistent with the laws of the State of Washington, the articles of Incorporation, and these By-Laws; to fix their compensation, if any, and require from them security for faithful performance;

(b) To cause to be kept a complete record of all minutes and acts and to present a full statement at the regular membership meetings of the members, showing in detail the condition of the affairs of the corporation; to cause to be kept a complete membership list of all members;

(c) To prepare and file with the Secretary of State of Washington an annual report as required by law;

(d) To fix and establish the annual dues and any other special assessments in accordance with these By-Laws, specifically those set forth in Article XI;

(e) Members of the Board of Directors shall receive compensation of one hour at the current minimum wage per attended meeting for their services to the corporation as board members and shall be reimbursed by it for such reasonable expenses as they may necessarily incur in pursuance of the business of the corporation provided that such expenses shall be approved by the Board of Directors. This subsection shall not be construed so as to limit the authority of the corporation to employ board members for compensation for services other than those related to their duties as board members.

ARTICLE VI Officers

SECTION 1: The Board of Directors, at its July meeting, immediately following the July meeting of the members each year, shall elect a President, a Vice-President, a Secretary and a Treasurer, who shall be Directors of the corporation, for a term of one year and/or until their successors are duly elected and qualified. The Board may at any time appoint an Executive Secretary or an Assistant Secretary, or an assistant Treasurer who need not have membership in the corporation, and whose terms of office shall coincide with those of the officers whom they assist.

SECTION 2: Any officer may be suspended or removed by a majority vote of all of the Directors. Any vacancy occurring in an elective office shall, and any vacancy occurring in an appointive office may, be filled by the Board of Directors upon a majority vote thereof.

SECTION 3: Officers shall receive no compensation for their services to the corporation as officers, but shall be reimbursed by it for such reasonable expenses as they may necessarily incur in pursuance of the business of the corporation, subject to a majority vote of the Directors as to approval or disapproval of such expenses. The subsection shall not be construed so as to limit the authority of the corporation to employ officers of the corporation for compensation for services other than those related to their duties as officers.

ARTICLE VII Duties of Officers

SECTION 1: President: The President shall act as chairperson at all meetings of the membership and preside at all meetings of the Board of Directors. They shall sign all contracts or instruments for the corporation, designating thereon that they are signing as President of May Creek Club, and perform such other duties as may be required of them by the Board of Directors.

SECTION 2: The Vice-President shall preside at all meetings in case of the absence or disability of the President and assume all duties of the President during such periods of absence or disability and shall perform such other duties as the Directors may require.

SECTION 3: The Secretary shall issue all notices and shall attend and keep the minutes of all meetings of the members and of the Board of Directors. They shall have charge of all corporate books, records and papers, except for those books for distributing funds, and the corporate seal. They shall prepare and file all liens and satisfaction of liens on behalf of the corporation. They shall attest with their signature, designating thereon that this signature is as Secretary of May Creek Club, and impress with the corporate seal all instruments executed by

the corporation. They shall perform all such other duties as are incidental to their office, including keeping an up to date membership list, or as may be required by the Board of Directors.

SECTION 4: The Treasurer shall keep faithfully in such bank or banks as may be designated by the Board of Directors, all funds, securities and liquid assets of the corporation, in its name, for its accounts, shall receive, record and deposit properly all monies received, and shall disburse the funds of the corporation only under the direction of the Board of Directors. Checks will be signed by two or more Board Members with one being an officer of the corporation. Electronic transfers will be authorized by a vote of the Board, these transfers may be recurring for a fixed amount and a specified duration. They shall keep full and accurate records of account and shall make such report of finances and transactions of the corporation as may be required by the Board of Directors. They shall present to the February meeting of the membership a full statement showing in detail the financial condition of the corporation. They shall take such steps as are necessary to ensure that an annual compilation is performed at the end of each fiscal year. The compilation shall include accounting and administrative controls, and every third year's compilation shall be reviewed by a Certified Public Accountant. Should a member file a complaint, in writing, about the contents of the compilation, they may request that a Certified Public Accountant review the records for the fiscal year that the grievance has been filed for, provided that the member pays for any and all expenses related to this accounting.

DUTIES OF THE TREASURER

- (1) Prepare and send monthly and annual billing for maintenance fees, assessments, fines and/or judgements until receipt of payment in full.
- (2) Verify payment of maintenance fees for seller and buyer through escrow.
- (3) Notify the Board of Directors of Tax Foreclosures for properties with a lien within May Creek Mt. View Tracts.
- (4) Order all statements and supplies as needed for billing and receiving all fees.
- (5) Take May Creek Club yearly records of receipt and expenditures and produce a compilation at the close of the fiscal year.

SECTION 5: Internal controls shall be implemented to facilitate the Compilation function and shall be as follows:

- (a) The preparation of a receivable register in which a careful calculation of the fees and assessments for the upcoming fiscal period is recorded. The method of calculation should be clearly presented and all supporting schedules should be included in the register. This shall be a function of the Financial Committee. Variances from the receipts predicted should be analyzed and explained, e. g. heavy arrearage or loans. All variance analyses shall be recorded in the minutes.
- (b) The preparation of a capital budget based upon the expected receipts and borrowing should be prepared before the start of the fiscal period. This shall also be a function of

the Financial Committee and as with subsection (a) all variance analyses should be recorded in the minutes.

- (c) The budget shall be read into the minutes at the first meeting of the fiscal period.
- (d) There shall be no borrowing of money for the corporation uses, except by the majority vote of a membership quorum of thirty-five (35) members in good standing.
- (e) All cash received in the form of maintenance fees, assessments or contributions shall be categorized, posted to each lots ledger card and cash receipt journal.
- (f) All checks received shall be made out to May Creek Club. Checks shall be endorsed for deposit only and include May Creek Club bank account number.
- (g) A restrictive endorsement shall be made by the Treasurer on all checks immediately upon receipt.
- (h) All receipts shall be deposited as soon as possible and, in any case, no later than one week after receipt. Deposits may be made personally, by mail, by night depository, or electronically.
- (i) A deposit slip shall be prepared and validated by the bank and retained for the records.
- (j) Two drawer signatures shall be required on all checks, as specified in Article VII, Section 4.
- (k) Payments over \$100.00 shall be approved by the Board of Directors. Payments under this amount may be made to fulfill these duties, and must be approved by the Board of Directors at the next monthly meeting.
- (l) No checks shall be pre-signed.
- (m) Checks shall be pre-numbered.
- (n) All receipts and disbursements shall be read into the minutes.
- (o) A reconciled bank statement shall be prepared each month by the Treasurer and promptly transmitted to the Financial Committee, identifying all irregularities. The Financial Committee shall present the reconciled statements at the next following meeting of the Board of Directors.
- (p) A reconciliation of the receipts register and the deposits register shall be prepared by the Secretary each month, identifying all irregularities and promptly transmitted to the Financial Committee. The Financial Committee shall present this reconciliation at the next following meeting of the Board of Directors.
- (q) An established bookkeeping system shall be used.
- (r) An imprest petty cash system shall not be used

(s) An independent bookkeeping service may be used, must have no other association with May Creek Club members.

ARTICLE VIII

No loans shall be made by the corporation to its officers, directors or members. No personal loans shall be made to the corporation by its officers, directors or members.

ARTICLE IX Indemnification

To the full extent permitted by law, the corporation shall indemnify any person who was or is a party, or is threatened with being made a party, to any civil, criminal, administrative or investigative action, suit or proceeding (whether brought by or in the right of the corporation or otherwise) by reason of the fact that the person is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer, of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgements, fines and amounts paid in settlement, actually and reasonably incurred by them in connection with such suit or proceeding; and the Board of Directors may, at any time approve indemnification of any other person which the corporation has the power to indemnify under law.

The corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against them and/or incurred by them by reason of the fact that they were a director, officer, employee or agent of the corporation or are or were serving in such capacity at the request of the corporation.

The indemnification provided by this section shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract.

ARTICLE X Dissolution

SECTION 1: In the event of the dissolution of the corporation, each person who is then a member shall receive their pro-rata portion of the property and assets after all debts have been fully paid.

ARTICLE XI Fees and assessments

SECTION 1: For the purpose of financing the activities of the corporation, it is hereby declared that all lots within the jurisdiction of the corporation shall be charged and/or assessed fees at the rate set at a membership meeting, per lot per year. Notwithstanding any other provision of these By-Laws, fees may be increased or decreased per year per lot by at a meeting of the membership requiring a majority vote of the members then in good standing present at the meeting or by mail ballot or by proxy.

SECTION 2: The annual fees shall be due and payable June 1st of each and every year, and shall be considered delinquent thirty (30) days from due and payable date. Those lot owners not paying or making arrangements to pay fees within thirty (30) days period after June 1st, shall be charge a late fee of one (1) dollar per month. The Treasurer must receive payment prior to the fifteenth (15th) of the month or an additional 3% of the delinquent amount per month will be charged. Fees for membership of less than one year duration will be pro-rated on a monthly basis.

SECTION 3: Any special assessment determined to be necessary by the Board of Directors to carry out the purpose and intent of the Articles of Incorporation of these By-Laws shall be submitted to the membership at a special or semi-annual meeting or by mail vote, for a vote by written ballot as to whether such proposal for a special assessment will be accepted or not. Said special assessment shall provide the method and manner or payment and shall become effective immediately upon its adoption as herein provided. Notwithstanding any other provision of these By-Laws, special assessments may be levied only by a vote of the membership at any meeting or by mail ballot; adoption requiring a majority of the votes cast, providing that a quorum of at least thirty-five (35) members then in good standing has voted on the issue. Good standing means a member not over thirty (30) days delinquent with their dues.

SECTION 4: Any and all fees and/or special assessments herein set out and/or authorized shall be and become a lien upon the property of the member but shall be inferior to all the existing institutional mortgage liens and inferior to any subsequent institutional mortgage lien created by the owner of said lot or the contract purchaser thereof. In the event of default in the payment of the same, it shall be foreclosed in the same manner as prescribed by the statutes of the State of Washington for the foreclosure of a mechanic's lien.

ARTICLE XII

Amendments

SECTION 1: These By-Laws may be amended at any time by a vote of a majority of those present in person or by mail ballot or by proxy at a membership meeting called for the purpose of amending the By-Laws, provided that a quorum of at least thirty-five (35) members then in good standing votes on the amendment. All notices of meetings to amend these By-Laws shall state clearly that a purpose of the meeting is to consider amendments to the By-Laws

ARTICLE XIII

SECTION 1: The fiscal year of the corporation shall begin on the first day of June of each year.

ARTICLE XIV

SECTION 1: Any action which may be taken at a membership meeting may be taken without a meeting if consent in writing setting forth the action so taken is signed by all members entitled to vote with respect to the subject matter. Any such consent shall be inserted in the Minute Book as if it were the minutes of a membership meeting.

ARTICLE XV
Corporate Seal

SECTION 1: The seal of the corporation shall be in circular form and shall contain the words

May Creek Club
Corporate Seal
Washington
1966

in the form and style as affixed to these By-Laws by the impression of said corporate seal.

ARTICLE XVI
Roads and Parks

SECTION 1: The roads/parks in May Creek Mountain View Tracts are reserved forever unto all purchasers of all lots in said plat an equal and undivided interest in all roads. The roads are maintained by May Creek Club.

SECTION 2: Financing for normal maintenance and operation will be provided by monies collected under Article XI of these By-Laws. The amount allotted will be variable as set in accordance with the yearly budget proposal. Extra monies required, above the proposed budgeted amount, may be obtained by special assessment as noted in Article XI of these By-Laws.

SECTION 3: Rules for governing the road, parks, common areas, and other property owned by the corporation will be determined by a vote of the Board of Directors as it may deem necessary or appropriate to ensure the peaceful and orderly use and enjoyment of these amenities. Any such changes to the rules will go into effect six (6) months after the vote by the Board of Directors, providing a period to notify and receive input from the membership.

SECTION 4: A separate savings account shall be initiated for repair and/or replacement of the bridge spanning May Creek. Starting June 1, 2024 five thousand dollars (\$5,000.00) or some greater amount as determined by the Board shall be deposited annually in the account and the monies may not be used for any other purpose, except by a vote of the membership.

SECTION 5: A separate savings account shall be initiated for repair and/or re-paving of the roads within May Creek Mountain View Tracts. Starting June 1, 2024 five thousand dollars (\$5,000) or some greater amount as determined by the Board shall be deposited annually in the account and the monies may not be used for any other purpose, except by a vote of the membership.

ARTICLE XVII

SECTION 1: These By-Laws are duly adopted as amended by the corporation and the corporate seal affixed on the ____th (__th) day of ____, 2024.

(date to be affixed after acceptance of by-law revision by the membership)

President: _____

Secretary: _____