

INTRODUCTION

BYLAWS OF NEWPORT YACHT CLUB

These Bylaws, last amended by a vote of Club Members on November 27, 2012 to be effective on January 1, 2013 and additionally amended on May 11, 2010 to be effective January 1, 2010 and December 14, 2004 to be effective January 1, 2005, implement the Articles of Incorporation of Newport Yacht Club (a Washington non-profit corporation governed by Revised Code of Washington, Chapter 24.03) to provide for the functions of the Club. These functions are:

- A. To serve as a community improvement organization for the benefit of all lot owners in Newport Shores for token annual Resident Member dues;
- B. To provide a clubhouse, boating, tennis, swimming, and other recreational and social facilities for Active Resident and Active Associate Members; and
- C. To make a boat moorage facilities available to Active Resident Members, Active Associate Members, and Provisional Members.

ARTICLE I: MEMBERSHIP

BYLAWS OF NEWPORT YACHT CLUB

SECTION 1: MEMBERSHIP CLASSES

The following are the types of Membership in the Newport Yacht Club: Resident Member, Active Resident Member, Active Associate Member, and Provisional Member.

A. Resident Member

1. Any person or persons (“Household” herein) acquiring a lot in Newport Shores automatically becomes a Resident Member so long as he/she/they continue to own the property. Each Household will be assessed annual Resident Member dues. Resident Members may participate in the community improvement functions of Newport Yacht Club, but are not entitled to use the Clubhouse or other Club Facilities unless they also qualify as Active Resident Members.

2. Only persons who own real property in Newport Shores may be Resident Members. Upon sale of the lot, Resident Member status is rescinded and transfers to the new property owner. If a Resident Member leases his or her home, he or she may not assign their Membership to the leaseholders; the property owner(s) shall maintain their Resident Member status and will continue to be responsible for the Resident Member dues. Resident Member status may not be terminated voluntarily or by default in payment of dues, but will be rescinded only upon valid sale of the property in Newport Shores. Any person who owns more than one lot in Newport Shores will be required to pay Resident Member dues on each piece of property. However, such a Member will continue to have only one vote on any community improvement matters that pertain to Resident Members.

3. On or after January 1, 2005 (“The Effective Date”), those persons who establish a Household in Newport Shores becoming owners of real property, by purchase, grant, gift or other means taking beneficial title thereto shall maintain only Active Resident Membership and shall never be allowed to maintain solely Resident Membership status without exception.

B. Active Resident Member

1. An Active Resident Member is a property owner in Newport Shores who:

- a. Pays annual Resident dues;
- b. Pays quarterly dues for the use and enjoyment of the Club and club facilities; and
- c. Pays a non-refundable initiation fee or received Active Resident Member status upon purchasing a lot, prior to January 1, 2005, owned by an Active Resident Member in good standing.

2. All Active Resident Members who transfer property in Newport Shores and who move out of the neighborhood may remain Members by becoming Active Associate Members without paying an additional Initiation Fee. The Initiation Fee shall only be paid once.

3. So long as an Active Resident Member remains in good standing, the Member and his or her family are entitled to the use and enjoyment of the Clubhouse, swimming pool, tennis courts, play yard, and Yacht Club grounds and facilities.

4. If a lot is owned by more than one person in a household and one or more subsequently moves out, then the Membership may be divided. Those who no longer reside in the Household in Newport Shores may become an Active Associate Member as long as he or she maintains the payment of all dues and assessments for Active Associate Members in accordance with these Bylaws. There shall be no additional Initiation Fee paid by either party.

5. Only persons who own real property in Newport Shores may become Active Resident Members. If an Active Resident Member leases his or her home, he or she may not assign their Membership to the leaseholders; the property owner(s) shall maintain their Active Resident Member status (unless properly terminated by a Household established on or before December 31, 2004) and will continue to be responsible for the Active Resident Member dues. Households that are established on or after January 1, 2005 may not terminate Active Member Status unless and until sale of the Household property. The Active Resident Member may apply to the Board of Governors to permit the leaseholder and their immediate family to use the Club, the facilities, and to attend social functions only during the period of a legally valid lease. This process would not entitle the leaseholders to become Active Resident Members and any privileges conferred would be rescinded automatically upon termination of the lease. Privileges conferred by the Board to leaseholders (renters) may be revoked by the Board in its sole discretion. The Board of Governors shall base any decision to permit a renter to utilize club facilities on the following criteria:

- a. Length of the lease.
- b. Whether the Active Resident Member is in good standing.
- c. Whether the Active Resident Member has made satisfactory arrangements for the continual payment of all dues owed.
- d. Whether the Active Resident Member family plans to continue to utilize the Club facilities as well.

6. The procedure to allow renters to use Club facilities may not be utilized to permit a renter of a home to have privileges to use the Club if the Active Resident Member (i.e., owner) is also a long-term licensee of a boat slip at Newport Yacht Club, since an active status must be maintained as part of the Licensee agreement.

7. An Active Resident Member will be responsible for all dues owed unless such membership is properly terminated.

- a. An Active Resident Member then existing as of December 31, 2004, who properly terminates his or her Active Resident Membership shall then revert to Resident Member status until sale of the Household property in Newport Shores.

- b. After the effective date, no Active Resident Member household in Newport Shores shall convert to solely Resident membership unless the household maintained Active Resident Member status as of December 31, 2004.
- c. Any Active Resident Member household in Newport Shores on or before December 31, 2004 who properly terminates his or her Active Resident Membership to Resident Member status thereafter may apply for reinstatement within one year after termination and shall be readmitted upon payment of all back-dues owing. After one year of termination, a resident Member shall pay a new Initiation fee for reinstatement.
- d. An Active Associate Member in good standing who thereafter purchases a lot in Newport Shores automatically becomes an Active Resident Member without payment of further initiation fees.

C. Active Associate Member

1. An Active Associate Member may use the Clubhouse and all other Club facilities, but has no voting rights. Active Associate Membership requires approval by the Board and may be conferred when an Active Resident Member in good standing sells his or her lot and, without the payment of an Initiation Fee, agrees to pay dues in accordance with these Bylaws.

2. If a person who is not a resident of Newport Shores purchases the rights to a remainder of a 75 year License agreement for a vessel berth at the finger piers situated at the Club's premises at 81 Skagit Key, Bellevue, Washington, he or she shall become an Active Associate Member as follows:

- a. As part of the Moorage License Agreement, the licensee shall pay an initiation fee and quarterly dues to establish Active Associate Membership.
- b. If a Moorage Licensee terminates the license by sale or transfer to another person, the transferor (seller) ceases to be an Active Associate Member and the transferee (new license holder) shall pay an initiation fee and quarterly dues for Active Associate Membership. The seller may not retain his or her Membership after the sale.
- c. If a Moorage Licensee terminates the license through reversion of the interest to Newport Yacht Club, the Licensee's Active Associate Membership immediately terminates.
- d. If the Board expels an Active Associate Member who holds a Moorage license pursuant to Section 15, the Moorage License terminates automatically and the interest reverts to Newport Yacht Club in exchange for payment by the Club of a pro-rata amount based on the percentage of the 75 year license which was used multiplied by the original purchase price of the license.
- e. Moorage licenses shall not be granted, transferred, or assigned to persons who are not Active Resident Members or Active Associate Members
- f. No Member shall be granted, transferred, or assigned a Moorage license if it will result in the Member holding more than two Moorage Licenses at any given time.
- g. The Moorage License Agreement shall be in a form approved by a majority of the Board. The Commodore is authorized to sign Moorage License Agreements on behalf of the Club.

ARTICLE I: MEMBERSHIP *(continued)*

BYLAWS OF NEWPORT YACHT CLUB

3. To obtain Board approval to become an Active Associate Member, an eligible person must file an application with the Newport Yacht Club Manager in the form prescribed by the Board. The application will be considered at the next regularly scheduled Board meeting. Only those applicants receiving a majority vote of the Board shall be declared elected as Active Associate Members.

4. A Resident Member, who executes a Moorage Licensee Agreement, must become an Active Resident Member by paying the initiation fee and quarterly dues.

D. Provisional Member

1. Any person (or marital community or vessel joint tenancy/co-tenancy) who leases or rents a slip from either the Club or a Moorage Licensee must become a Provisional Member of Newport Yacht Club. At the time a lease or rental application is signed, the Club or a Moorage Licensee must submit the applicant's name to the Board or its delegate for approval for Membership. A person (or marital community or vessel joint tenancy/co-tenancy) may remain a Provisional Member only so long as the moorage agreement remains in effect.

2. Provisional Members may use the Club's parking lot and may use the Clubhouse washroom facilities during business hours, but they shall not have the use of the club's swimming pool, tennis courts or other facilities. Provisional Members must pay an initiation fee and annual dues shall accompany the application. When a Moorage Licensee rents out his slip, it shall be the responsibility of the Moorage Licensee to collect and forward these monies to the Club office.

3. A Provisional Member may apply for Active Associate Member status under the terms stated in Section 1(C)(3). If approved by the Board, the Provisional Member pays an initiation fee of \$500 and agrees to pay the applicable quarterly dues. As an Active Associate Member they may use the Clubhouse and all other Club facilities and activities. The Active Associate Membership remains so long as the moorage agreement remains in effect.

E. Moorage License

If an Active Resident Member who also is a Moorage Licensee sells his or her residence in Newport Shores, he or she may become an Active Associate Member without payment of another initiation fee. The Active Associate Membership need not automatically terminate if the Moorage License terminates, as set forth in paragraph C(2) subsections (b) and (c) above, so long as quarterly dues continue to be paid

F. In all cases, initiation fees are non-refundable.

SECTION 2: MEMBER IN GOOD STANDING

A Member is any of the above classes shall be considered in good standing as long as he/she:

1. Pays all money owed to the Club within 60 days after the due date stated in each billing by the Club; and

2. Is not under suspension or termination by the Board of governors (see Article 1, sections 13, 14, and 15).

SECTION 3: MEMBER'S IMMEDIATE FAMILY

All immediate family Members of a Member in good standing who permanently reside in the household of the Member are entitled to all of the same Club privileges as the Member. Any other immediate family Member not residing in the home on a permanent basis shall not be entitled to the privileges or use and enjoyment of the Club facilities, except as a guest. The Board of Governors may establish a policy granting limited privileges to other non-resident family Members. Any privileges granted on a policy basis may be rescinded by the Board of Governors at any time. A Household as owners of a lot shall be treated as one Resident or one Active Resident Member for all purposes under the Bylaws, including voting, fees, and dues. All Household Members at least 18-years-old are eligible to hold office, but not concurrently.

SECTION 4: MEMBERS AGREE TO BE BOUND BY THE BYLAWS

All Members of the Club and each of his/her immediate family agree to be bound by, to abide by, and to conform to these Bylaws, any amendments or supplements, and all rules, regulations, and policies of the Club that are properly adopted in accordance with these Bylaws.

SECTION 5: MEMBERSHIP CARDS AND CERTIFICATES

The Club may elect to issue Membership cards to Members and their immediate family. The Board of Governors or an officer or agent of the Club may request identification of Members as it deems necessary for entrance to any Club facility. To be valid, cards must be signed by the holder and have a current date of issue. An officer of the Club may request that a card be surrendered on demand of any Member not in good standing.

SECTION 6: MEMBERSHIP IS NON-TRANSFERABLE

As provided by the Articles of Incorporation, Membership in the Club is not transferable and no assignment shall be recognized for any purpose. If an Active Resident Member sells one house within Newport Shores and purchases another house within Newport Shores, no new Initiation Fee is required. If a Resident Member sells one house within Newport Shores and purchases another house within Newport Shores on or after January 1, 2005, he or she is required to become an Active Resident Member pursuant to Article I, Section 1 (B), including payment of the Initiation Fee.

SECTION 7: ANNUAL MEETING OF MEMBERS

The annual meeting of the Members shall be held in November at 8:00 PM. The Board of Governors shall designate the date and place of the meeting. Robert's Rules of Order shall apply at the annual meeting and at all other meetings of Members or the Board of Governors.

SECTION 8: SPECIAL MEETINGS OF MEMBERS

The Commodore or the Board of Governors may call a special meeting of the Members at any time, to be held at such time and place as designated in the call of the meeting.

SECTION 9: NOTICE OF MEETINGS

The Secretary shall give written notice to all Members 10 days prior to an annual Membership meeting and at least 3 days prior to a Special Membership meeting of the time and place the meeting is to be held. Written notice may be by U.S. Mail, e-mail or other electronic mainstream communication and shall be sufficient if addressed to the last known address. A Member may waive such notice in writing at any time before or after the meeting.

SECTION 10: ORGANIZATION OF MEETING

A meeting of the Resident Members and/or Active Resident Members may proceed to transact business if a quorum is present. A quorum requires the presence, in person or by proxy, of a majority of such Members. Business may then proceed until adjournment even if the departure of Members leaves less than quorum. Any Active Associate Member, in good standing, may attend such meeting as an observer only, but may not vote.

SECTION 11: ORDER OF BUSINESS

At any meeting of the Members, the following order of business shall be observed insofar as it is practicable and consistent with the purpose of the meeting. Items (B), (C), (D), or (E) may be waived in whole or in part by a majority vote of Resident and/or Active Resident Members present.

1. Commodore or other officer acting in his or her absence calls the meeting to order.
2. Roll call of Resident and/or Active Resident Members in good standing and report by the Secretary of the number of Members present or represented by proxy.
3. Reading and approval of the previous meeting's minutes.
4. Report of the Board of Governors (Annual meeting only).
5. Reports of Officers and Committee Chairpersons.
6. Unfinished business.
7. New business.
8. Adjournment.

SECTION 12: VOTING AT MEETINGS

Every Resident Member family and Active Resident Member family in good standing shall have the right to one vote at every annual or special meeting of the Members. This vote may be cast in person, or by proxy vote conducted through US postal mail, e-mail or other electronic mainstream communication and sent to the last known address. Resident Member families may only vote on community improvement functions of the Club. Any proxies shall be in writing, dated, and shall be filed with the Secretary. The presiding Officer at the meeting may direct that the vote be by voice, unless a Member demands a vote by ballot. Each ballot vote shall state the name of the Member and if cast by proxy, the name of the proxy.

SECTION 13: CONDUCT OF MEMBERS

An Active Resident or Active Associate Member (or Member of his or her immediate family) may be deprived of Club privileges by an affirmative vote of a majority of the Board of Governors. Such action by the Board may be requested by any Active Resident Member for conduct which violates a rule of the Club, damages property of the Club or any resident in Newport Shores, causes injury to any person, or for other conduct which is detrimental to the Newport Yacht Club and/or the residents of Newport Shores. Any such charge must be made in writing and addressed to the Board. If the Board determines that disciplinary action should be considered, it shall notify the subject of the inquiry, provide a copy of the written charge to the subject, and schedule a hearing no sooner than 10 days after notification. If the Board by majority vote determines that the charge is justified, any or all Club privileges may be suspended for such time as the Board may determine. The decision of the Board shall be final. Any such suspension shall not relieve a Member from his or her obligation to pay dues and other debts to the Club.

If a Member is not in good standing as set forth in Article I, Section 2, the Board may suspend privileges, as it deems appropriate.

SECTION 14: PAYMENT DEFAULT BY MEMBERS

The Board of Governors may take the action it considers necessary to collect money owed by any Member to the Club. This action may include, without limitation, the imposition of service charges plus interest up to the maximum rate authorized by law. The Board may also suspend the Club privileges of any Active Resident or Active Associate Member in default, so long as the default continues. The Board may establish rules to enforce these sanctions and establish fees for regaining Club privileges for any Active Resident or Active Associate Member who cures his or her default. In the event the Board deems it necessary to initiate litigation against any Member to collect amounts due, that Member shall also be obligated to pay the Club's costs of suit, including attorney's fees.

SECTION 15: TERMINATION OF MEMBERSHIP

As provided in the Articles of Incorporation, Membership shall be terminated only by voluntary withdrawal, death, or expulsion as provided in this section. Any Active Associate Member may be expelled from Membership by a majority vote of the Board of Governors for non-payment of accounts properly due within six months of the due date, provided that such default has not been fully cured by the Member within 30 days after notice of the proposed expulsion has been mailed to the Member's last known address.

Upon termination of Membership, all interest of such Member in the property and assets of the Club shall likewise terminate and no such Member or his or her estate shall be entitled to any further participation in Club activities or distribution of or reimbursement for Club assets or payments.

A Resident Member or Active Resident Member shall be deemed to have terminated his or her Resident Membership and/or Active Resident membership by voluntary withdrawal upon the

ARTICLE I: MEMBERSHIP *(continued)*

BYLAWS OF NEWPORT YACHT CLUB

sale of all lots in Newport Shores owned by that Member, subject to the right of an Active Resident Member to apply within 30 days of the closing of the sale for transfer to Active Associate Member status as directed in Article I, Section I, Subsection C. Any Resident Member who sells his or home may not apply for Active Associate Membership, as no initiation fee has ever been paid.

An Active Resident Member may be expelled from such status by a majority vote of the Board of Governors for non-payment of accounts properly due within 6 months of the due date, provided that such default has not been fully cured by the Member within 30 days after notice of the proposed expulsion has been mailed to the Member's last known address. Any Active Resident Member, who loses his or her Active Status under this provision, and who purchased his or her property on or prior to December 31, 2004, automatically reverts to Resident Member status until sale of the property owned in Newport Shores. When an Active Resident Member is expelled, all immediate family Members and members of the Household may no longer enjoy the Club facilities or attend Active Member social functions. Any Active Resident Member, who loses his or her Active Status under this provision and who purchased his or her property on or after January 1, 2005, shall lose all rights and privileges of an Active Resident Member even though his or her annual and quarterly dues shall continue to accrue until paid in full. Expulsion from Membership status will not excuse payment of past due accounts. The Board of Governors may continue to authorize collection of delinquent amounts due.

ARTICLE II: DUES, ASSESSMENTS, AND INITIATION FEES

BYLAWS OF NEWPORT YACHT CLUB

SECTION 1: DUES AND ASSESSMENTS MUST BE AUTHORIZED BY BYLAWS

No dues or assessments can be imposed on Members except as provided by these Bylaws or in accordance with adopted amendments. The board of governors, by unanimous vote, may also fix and impose assessments on Members as follows:

1. Not to exceed \$20.00 annually for Resident Members.
2. Not to exceed \$100.00 annually for Active Resident and Active Associate Members.
3. These fees or assessments may include different amounts for different groups within any class of Membership.

Any assessment of Resident Members which exceeds \$20.00 annually may only be imposed by a vote of the majority of those Members in good standing. Any assessment of Active Resident and Active Associate Members which exceeds \$100.00 annually may only be imposed by a vote of the majority of those Members in good standing. Notice of this assessment must be made in writing to each Active Resident and Active Associate Member at least 45 days prior to the vote.

Notwithstanding the provision herein above and as a separate matter, the Board of Governors may assess a penalty against any Resident or Active Member for failure to correct a violation of the Newport Shores Protective Covenants in the Board's opinion by majority vote of the Board of Governors following a 30 days' written notification of the violation. The assessed fee shall be in an amount equal to one half of the annual Resident Members' dues said amount to be charged

ARTICLE II: DUES, ASSESSMENTS, AND INITIATION FEES *(continued)*

BYLAWS OF NEWPORT YACHT CLUB

on a daily basis for each day that the violation remains uncorrected. Notification of such an assessment shall be sent to the resident with delivery verification. All other remedies available for correction of Covenants violations, as provided by the Covenants and these Bylaws, are hereby reserved and continue to be available at the discretion of the Board of Governors separately and in addition to this penalty assessment. Additionally, and as part of the penalty assessment and in addition to the daily amount, any and all attorney fees and costs incurred in obtaining compliance with the CC&R's and Bylaws or in enforcing this penalty assessment or lien, shall be paid in full by the Member in noncompliance. Any such penalty assessment, including, but not limited to attorney fees and costs incurred in enforcement of the CC&R's and Bylaws, shall be treated as all other assessments under the terms of the CC&R's and Bylaws and shall be a recordable lien against the Member's property.

SECTION 2: INITIATION FEES AND CHANGE OF MEMBERSHIP STATUS

Payment of initiation fees shall be as follows:

1. Resident Members shall pay no initiation fee.
2. Active Resident and Active Associate Members shall pay an initiation fee of \$5,000.00 (or such other amount as the Board may establish by majority vote as the initiation fee), except as provided below in sections (3) and (6).
3. An Active Resident Member need not pay an initiation fee when they elect to become an Active Associate Member upon sale of their Newport Shores lot.
4. A person who becomes an Active Associate Member through the purchase of a Moorage License Agreement shall pay an initiation fee of \$2,000.00 (or such other amount as the Board may establish by majority vote as the initiation fee) within 5 days of acquiring the License. Any transfer of a Moorage License Agreement requires payment of a new initiation fee in the amount of (or such other amount as the Board may establish by majority vote as the initiation fee) by the new license holder.
5. Any Resident Member who executes a Moorage License Agreement must become an Active Resident Member and pay an initiation fee of \$2,000.00 (or such other amount as the Board may establish by majority vote as the initiation fee).
6. Provisional Members shall pay an initiation fee of \$100.00 or such other amount as the Board may establish by majority vote as the initiation fee). When a Provisional Member is approved for Active Associate Member status they shall pay an initiation fee of \$500 (or such other amount as the Board may establish by majority vote as the initiation fee).

SECTION 3: ANNUAL MEMBERSHIP DUES

Payment of Membership dues shall be as follows:

1. Resident Members shall be assessed annual Resident Member dues in the amount of \$200.00 as set forth in Article I. Any change in this amount shall require a majority vote of a quorum of all Resident and Active Resident Members.
2. In addition, Active Resident Members shall pay \$210.00 dues per quarter for the use of the Clubhouse and other Club facilities, with \$75 of that amount to be placed in a facilities maintenance and improvement fund. Any change in the quarterly dues owed for use and

ARTICLE II: DUES, ASSESSMENTS, AND INITIATION FEES *(continued)*

BYLAWS OF NEWPORT YACHT CLUB

enjoyment of Club facilities will require a majority vote of a quorum of only Active Resident Members.

3. Active Associate Members shall pay \$210.00 dues per quarter for the use of the Clubhouse and Club facilities. The amount of these quarterly dues will change automatically to coincide with any changes voted by the Active Resident Members. Active Associate Members do not vote with respect to any changes in dues.

4. A Provisional Member's first annual dues are included in the \$100.00 initiation fee. If the Provisional Member remains for succeeding years, annual dues will be assessed in the amount of \$25.00. Any change in the amount of annual dues owed by provisional Members may be determined by a majority vote of the board of Governors.

ARTICLE III: BOARD OF GOVERNORS

BYLAWS OF NEWPORT YACHT CLUB

SECTION 1: NUMBER

The Board of Governors shall consist of at least ten (10) residents of Newport Shores. All governors shall be residents of Newport Shores throughout their service in office. At all times at least Seven (7) of these Governors shall be Active Resident Members. Only Active Resident Member Governors shall be entitled to vote at Governor's meetings with regard to matters pertaining to the Clubhouse and adjacent Club facilities.

SECTION 2: TERM OF OFFICE

At the November annual meeting, each vacant Governor's position shall be filled by election for three (3) year terms. All Resident Members and Active Resident Members shall be entitled to vote for Governors, in accord with the procedures of Article I, Section 12.

SECTION 3: VACANCIES

Any vacancy on the Board of Governors, whether caused by resignation, death, or otherwise, may be filled by a majority vote of the remaining Governors in attendance at any meeting so long as all other Governors were notified that the vacancy was to be filled. Said appointee shall serve until the next annual meeting.

SECTION 4: POWERS

The Board of Governors shall manage the Club's affairs and exercise its powers as the Board of Directors of the corporation in accord with Washington law. The Board shall have the power to act for the good of the Club in all matters, in accord with the Bylaws and the Articles of Incorporation.

SECTION 5: REGULAR MEETINGS OF THE BOARD OF GOVERNORS

The Board of Governors shall conduct regular meetings on a monthly basis, with two exceptions: (a) November, when the Board will meet later in the evening after the Annual Meeting of

ARTICLE III: BOARD OF GOVERNORS *(continued)*

BYLAWS OF NEWPORT YACHT CLUB

Members; and (b) August, when the meeting will be conducted only if the Board determines that a meeting is necessary. The regular meeting will be at 7:00 p.m. on the evening of the second Tuesday of each month, unless the Board by majority vote elects a different day or time, in which event written notice of the changed day or time must be provided to all Governors and the community at least five days before such Board meeting.

SECTION 6: SPECIAL MEETINGS OF THE BOARD OF GOVERNORS

1. Any Member of the Board of Governors may call a special meeting at any time and place.
2. Notice of special meeting shall be given to all Governors by the Secretary or the Governor calling the meeting, by mail, telephone, or other personal communication, at least three days prior to the date of the meeting.
3. No notice of any meeting is required if a Governor waives it in writing, by fax, or by telegram either before or after the meeting.
4. Any irregularity regarding notice is waived as to a Governor who is present at the meeting.
5. Any meeting of the Board shall be a legal meeting even if an irregularity exists regarding notice if all Governors are either present or waive notice.
6. E-Mail Voting: A special meeting, for a single purpose or motion, may be accomplished by e-mail to and from all Board of Governor Members. Notification and submittal of required information for the specific purpose shall be provided via e-mail. The Member calling the special meeting shall be responsible for recording any vote and conveying results to the Commodore and to the Board-at-large. The Secretary shall record the results of the e-mail vote, including quorum requirements, proxies and no responses in the Minutes of the next regular Board Meeting. A quorum shall be all Board of Governor Members, less those specifically waiving participation, but no less than 50% of the Board.

ARTICLE IV: OFFICERS

BYLAWS OF NEWPORT YACHT CLUB

SECTION 1: OFFICER POSITIONS

The officer positions shall be Commodore, Vice Commodore, Rear Commodore for Sports, Rear Commodore for Socials, Fleet Captain, Governor of Community Affairs, Governor of Governmental Affairs, Governor of Membership, Governor of Facilities, Secretary, and Treasurer. The Commodore and Vice Commodore, respectively, shall fulfill the offices of President and Vice President of a corporation as required by Washington law. Each officer shall serve until his/her successor is elected and agrees to serve.

SECTION 2: LINE OF SUCCESSION TO COMMODORE

The Vice Commodore shall immediately succeed the Commodore. Other officers shall not be in direct line of succession to Vice Commodore. The Vice Commodore shall be elected each year

by majority vote of the Board of Governors at the first Board meeting following the Annual Membership meeting. Candidates for Vice Commodore shall include all Governors who have completed at least one year of service on the Board.

The Vice Commodore shall serve a one year term and then automatically become Commodore for another one year term. The Vice Commodore shall have his or her total term on the Board extended to enable him or her to serve the one year as Vice Commodore, a second year as Commodore, and a third year as Past Commodore. Notwithstanding this extension to allow the persons filling the Vice Commodore, Commodore, and Past Commodore positions to remain on the Board after their Board term has expired, each Board position itself will become open at the end of the original three year term and will be filled by the regular election process.

SECTION 3: QUALIFICATIONS

The Commodore, Vice Commodore, Rear Commodore for Sports, Rear Commodore for Socials, Governor of Membership, Governor of Facilities and Fleet Captain shall be Active Resident Members and elected Governors. The Governor of Community Affairs and the Governor of Governmental Affairs shall be Active Resident or Resident Members and elected Governors. The Secretary and Treasurer may be Active Resident or Resident Members and may be elected Governors or appointees from the general Membership.

SECTION 4: COMMODORE

The Commodore shall be the Chief Executive Officer of the Club and shall be responsible for the general management and direction of its affairs. The Commodore shall:

1. Enforce the Bylaws, rules, and regulations of the club;
2. Preside at all Membership and Board Meetings;
3. Sign all contracts, agreements, and employment commitments on behalf of the Club, after they have been approved by a majority vote of the Board of Governors;
4. Have such other powers and perform other duties as may be authorized by the Board of Governors or in accordance with the Bylaws or as are usually incident to such office.

The immediate past Commodore shall serve as an ex-officio Governor. He/she shall have full voting rights for one (1) year following his or her term as Commodore.

SECTION 5: VICE COMMODORE

The Vice Commodore shall assist the Commodore in the discharge of his or her duties in connection with all facilities, activities, and functions of the Club. The Vice Commodore shall fulfill the duties of Commodore in the absence or inability of the Commodore. The Vice Commodore is responsible for the Clubhouse Operations Committee and shall supervise the Club Manager.

SECTION 6: REAR COMMODORE FOR SOCIALS

The Rear Commodore for Socials shall be responsible for the Club's social programs and the Social Committee. The Rear Commodore – Social shall be a Member of the Board appointed to a one year term by the Commodore with approval of a majority of the Board.

SECTION 7: REAR COMMODORE FOR SPORTS

The Rear Commodore for Sports shall be responsible for the Swimming and Tennis programs and such other sports activities as may be directed. The Rear Commodore – Sports shall be a Member of the Board appointed to a one year term by the Commodore with approval of a majority of the Board.

SECTION 8: GOVERNOR OF COMMUNITY AFFAIRS

The Governor of Community Affairs shall be responsible for the Community Improvements Committee and for representing the interests of all residents of Newport Shores. He or she shall be a Member of the Board, appointed to a one year term by the Commodore with approval of a majority of the Board.

SECTION 9: GOVERNOR OF GOVERNMENTAL AFFAIRS

The Governor of Governmental Affairs shall be responsible for representing the interests of Newport Shores in dealing with any governmental agency, such as the City of Bellevue or King County, whenever such an issue arises which is not already being handled by a committee. He or she shall be a Member of the Board, appointed to a one year term by the Commodore with approval of a majority of the Board.

SECTION 10: GOVERNOR OF MEMBERSHIP

The Governor of Membership shall be responsible for the Membership and Welcoming Committee. He or she shall be a Member of the Board, appointed to a one year term by the Commodore with approval of a majority of the Board

SECTION 11: FLEET CAPTAIN

The Fleet Captain shall be responsible for the Yachting Activities Committee which includes Moorage, Sailing Fleet, and Power Squadron. The Fleet Captain shall be a Member of the Board, appointed for a one (1) year term by the Commodore with the approval of a majority of the Board.

SECTION 12: SECRETARY

The Secretary shall be appointed by the Commodore with the approval of a majority of the Board of Governors. The Secretary shall be a resident of Newport Shores, but need not be a Member of the Board. There shall be no limitation on the length of time a Secretary may serve. In conjunction with the Vice Commodore and the Club Manager, the Secretary shall:

1. Keep a record of all the Club's proceedings;

2. Keep a record of all the Board's proceedings;
3. Keep a roll of the Members;
4. Be responsible for the maintenance of permanent files at the Club office of all original documents, records, communications, and other matters connected with club business or assign such duties to Club Manager, where appropriate.

SECTION 13: TREASURER

The Treasure shall be appointed by the Commodore, with the approval of a majority of the Board of Governors, for a one (1) year term. The Treasurer shall be a resident of Newport Shores, but need not be a Member of the Board. In conjunction with the Club Manager, the Treasurer shall:

1. Be the custodian of all the funds of the Club.
2. Supervise the deposit of Club money in the bank or banks approved by the Board of Governors in the name of Newport Yacht Club;
3. Be responsible for the activities of the Finance Committee;
4. Be responsible for the maintenance of permanent records of the Club's finances at the office of the club;
5. Supervise the payment of all proper bills as the Board of Governors may direct;
6. Sign and deliver a report of all receipts and disbursements, together with all properties and money on hand, to the Club at the annual meeting and to the Board whenever required;
7. Perform such other duties as the Board of governors may direct and that are incident to such office.

All accounting and bookkeeping personnel retained by the Club shall report to the Treasurer. All disbursements on behalf of the Club shall be by check, unless otherwise ordered by the Board of Governors. Checks for over \$100.00 must be signed by two authorized check signers. Checks for \$100.00 or less may be drawn by a single authorized signature. For purposes of this section, authorized check signers are the Commodore, the Vice Commodore, the Treasurer, and the Club Manager.

SECTION 14: GOVERNOR OF FACILITIES

The Governor of Facilities shall be responsible for the maintenance and improvements to club property. The Governor of Facilities shall also be responsible for management of the Facilities Committee, should such a Special Committee be deemed necessary under the provisions of Article V, Section 10, below. He/she is responsible for identifying requirements and bringing them before the Board. Once approved, he/she is responsible for making sure that maintenance and improvements are properly done in a timely manner. The Governor of Facilities shall be a Member of the Board, appointed for a one (1) year term by the Commodore with the approval of a majority of the Board.

SECTION 15: REMOVAL

Any officer of the Club may be removed by an affirmative vote of a majority of the whole Board of Governors when, in their judgment, the best interests of the Club will be served by the removal.

SECTION 16: OTHER OFFICERS AND AGENTS

The Board of Governors may appoint other positions it deems necessary or expedient.

SECTION 17: CLUB MANAGER AND OTHER EMPLOYEES

The Board of Governors has the authority to hire and fire the Club Manager and other Club employees and to determine the scope of their duties.

ARTICLE V: COMMITTEES

BYLAWS OF NEWPORT YACHT CLUB

SECTION 1: STANDING COMMITTEES

The Standing Committees of Newport Yacht Club and the Officer supervising each committee shall be as follows:

1. Membership and Welcoming – Governor of Membership
2. Finance – Treasurer
3. Clubhouse Operations – Vice Commodore
4. Social Activities – Rear Commodore
5. Architectural Advisory – Chairman of Community Affairs
6. Yachting Activities – Fleet Captain
7. Canal and Waterfront – Commodore

Each of the above committees shall have a minimum of three (3) Members.

SECTION 2: OPERATION OF STANDING COMMITTEES

All Members of all standing committees shall be appointed by the Commodore, subject to confirmation by the Board of Governors, and shall hold office until a new Commodore is seated; provided that any committee Member may be removed by the Commodore, subject to confirmation of such removal by the Board of Governors. Standing committees shall meet on a regular basis as the committee may determine. Each standing committee shall prepare regular written reports, signed by its chairman for presentation to the Board of Governors. In the event any standing committee fails to meet on a regular basis and/or written reports are not filed, the Commodore may appoint a new chairman for that committee.

SECTION 3: MEMBERSHIP AND WELCOMING COMMITTEE

The Membership and Welcoming Committee shall greet new residents of Newport Shores. In so doing, the committee shall:

1. Explain the structure of the Newport Yacht Club with respect to the Club's Articles of Incorporation, Bylaws, Board of Governors, and Committees;
2. Offer pertinent local information;
3. Encourage the new residents to become involved in Club Activities;
4. Most importantly, make them feel welcome and a part of Newport Shores.

In addition, the committee shall issue a roster of all Club Members.

SECTION 4: FINANCE COMMITTEE

The Finance Committee shall be responsible for all financial aspects of the Club. Three separate accounts shall be maintained: one for the Club's Active Resident and Active Associate Members, a second for the Residents' Fund, and a third for Moorage. With respect to the three accounts, the Committee shall be responsible to:

1. Estimate revenues and expenses;
2. Prepare the annual budget;
3. Prepare long range financial projections; and
4. Record all expenditures and receipts.

The Residents' Fund, comprised of Resident dues paid in accord with Article 2, Section 3, shall only be used for community improvements, maintenance, and items in the best interest of all residents of Newport Shores.

The Commodore shall appoint an independent Member or hired outside professional, who is not on the Finance Committee, to review the accounts annually. This review shall be performed after the Club books are closed at the end of a calendar year and prior to March 31.

SECTION 5: CLUBHOUSE OPERATIONS COMMITTEES

The Clubhouse Operations Committee shall:

1. Be responsible for the management and general supervision of the Club facilities open to Active Resident Members and Active Associate Members, including the Clubhouse, swimming pool, and tennis courts;
2. Be responsible for planning and recommending expenditures, equipment, and improvements for Club facilities to the Board of Governors;
3. Have the power to prescribe rules and regulations for the use and enjoyment of club facilities, subject to the approval of the Board of Governors; and
4. Perform such other duties as are customarily performed by such committees.

SECTION 6: SOCIAL COMMITTEE

The Social Committee shall be responsible for planning and conducting social and recreational activities at the Club's facilities, except events directly associated with power boating or sailing. The Social Committee shall meet at least once a quarter or more often if needed, to create club functions, promote participation and support the volunteers of club functions.

Resident Members shall be invited to participate in the 4th of July celebration, the Commodore's Ball, and other functions that the Board of Governors may determine from time to time.

SECTION 7: ARCHITECTURAL ADVISORY COMMITTEE

The Architectural Advisory Committee shall be responsible to review compliance with the most recently recorded Covenants, Conditions and Restrictions ("CC&Rs") of Newport Shores or similar Declarations referring to other areas of Newport Shores.

ARTICLE VI: COMMITTEES *(continued)*

BYLAWS OF NEWPORT YACHT CLUB

Any complaint as to alleged violations of the Covenants must be in written form and signed. All such written complaints will be referred to the Committee for consideration. If the Committee determines a material violation exists, it may do any or all of the following:

1. Refer the complaint to the Board of Governors.
2. Assist the complainant in referring the complaint to the City of Bellevue; and/or
3. Work with the complainant and his/her attorney in legal proceedings against the Covenant violator.
4. In addition to its role in dealing with complaints of violations of Protective Covenants, this committee will consider and offer recommendations to the Board of Governors for action with respect to conditions of street maintenance, sidewalks, traffic safety, street signs, street lighting systems, service utilities, service easements, vacant lots, community park areas, waterways, and bulkheads, as required by the Declarations of Protective Covenants applicable to each division of Newport Shores. This committee will also consider and advise the Board of recommendations with respect to general security measures and any other aspect of neighborhood concern consistent with the areas enumerated above.

The Committee will maintain a permanent file of drawings and data relating to the areas of responsibilities of the Committee. The Committee will also serve as a focal point for Members inquiries concerning these issues and suggest possible alternatives for assistance, such as the City of Bellevue or King County.

This committee shall report monthly to the Board of Governors regarding current conditions and recommendations, if any, for action.

SECTION 8: YACHTING ACTIVITIES COMMITTEE

The Yachting Activities Committee shall:

1. Operate the moorage facilities and power-boating and sailing activities;
2. With the approval of the Board of governors, periodically establish and adjust monthly rate for moorage licenses granted on a month-to-month basis, monthly maintenance fees for moorage licenses granted on a long-term basis, and rates for utilities services appropriate for each moorage berth; and
3. Review moorage licenses in accordance with these Bylaws.

SECTION 9: CANAL AND WATERFRONT COMMITTEE

The Canal and Waterfront Committee shall be responsible to coordinate, communicate and administer the unique concerns, special interests and community actions of canal and waterfront residents and property in Newport Shores. The Committee shall also advise the Board of Governors about all business needs, technical concerns, governmental affairs and other associated subjects involving the canals and waterways associated with Newport Shores. No action, rule making,

Sanction and/or collection of money shall be implemented or committed by the Committee without the specific approval and authorization of the Board of Governors or Members in accord with these Bylaws.

ARTICLE VI: COMMITTEES *(continued)*

BYLAWS OF NEWPORT YACHT CLUB

The Chairman and at least three other Members of the Committee shall each be the principal owner of a residential lot located on a lakefront or canal front site in Newport Shores. All Members of the Committee must maintain their principal residence in Newport Shores.

SECTION 10: SPECIAL COMMITTEES

The Commodore may appoint Special Committees as he/she may deem necessary or advisable. The Commodore shall designate the duties and Membership of any special committees and shall have the power to remove any Member from such a committee. A special committee shall be subject to such control as the Board of Governors elects to exercise.

SECTION 11: COMMODORE EX-OFFICIO MEMBER

The Commodore shall be an ex-officio Member of all standing and special committees and shall have the power to convene meetings of any such committee.

SECTION 12: COMMITTEE EXPENDITURES

No standing or special committee or club Member shall have the power to spend Club funds or make commitments for their expenditures unless the Board of Governors authorizes the specific expenditure or commitment.

ARTICLE VI: YACHT OWNERS

BYLAWS OF NEWPORT YACHT CLUB

SECTION 1: CLUB SQUADRON AND PENNANT

A yacht owner is a person who owns at least a one-quarter interest in any sail or power boat 12 feet or more in length. Only Active Resident or Active Associate Members who qualify as yacht owners are entitled to fly the Club pennant and may enroll the yacht in the Club squadron.

SECTION 2: UNAUTHORIZED USE OF PENNANT PROHIBITED

The club pennant may be flown only as authorized above in Section 1. Under no circumstances may a boat under charter or engaged in commercial use fly the Club pennant.

ARTICLE VII: INSPECTION OF RECORDS

BYLAWS OF NEWPORT YACHT CLUB

The books and records of Newport Yacht Club shall be open to inspection by the Board of Governors or by any Member of the Club at all reasonable times.

ARTICLE VIII: SEAL

BYLAWS OF NEWPORT YACHT CLUB

The seal of the Club shall be a circle containing the words, “Newport Yacht Club” and “Corporate Seal of Washington, 1960” in the form and style attached to these Bylaws.

ARTICLE IX: AMENDMENTS

BYLAWS OF NEWPORT YACHT CLUB

SECTION 1: BYLAWS APPLICABLE TO ALL RESIDENT MEMBERS

These Bylaws may be amended, altered, or repealed at any annual or special meeting, by affirmative vote of a majority of persons eligible to vote present, in person, or by proxy vote conducted through US postal mail, e-mail or other electronic mainstream communication and sent to the last known address, provided that there is a quorum. The quorum shall consist of more than half of all Resident Members in good standing, either present at the meeting or who have submitted a properly signed proxy to the Secretary of the Club.

SECTION 2: BYLAWS APPLICABLE TO ALL ACTIVE RESIDENT MEMBERS

These bylaws may be amended, altered, or repealed at any annual or special meeting by affirmative vote of a majority of persons eligible to vote present, in person, by proxy, or by proxy vote conducted through US postal mail, e-mail or other electronic mainstream communication and sent to the last known address, provided that there is a quorum. The quorum shall consist of more than half of all Active Resident Members in good standing, either present at the meeting, or who have submitted a properly signed proxy to the Secretary of the Club.

SECTION 3: PROPOSAL FOR AMENDMENT, ALTERATION, OR REPEAL OF BYLAW

Any proposed amendment, alteration, or motion to repeal shall have been proposed by resolution of the Board of governors, or by a petition signed by at least twenty-five (25) of the appropriate group of Members (Resident or Active Resident). A copy of such proposal for amendment, alteration, or repeal must be furnished to each affected Member of the Club at least fifteen (15) days prior to the annual or special meeting at which the vote will be taken. Modification, if germane to a proposed amendment, alteration, or repeal may be offered verbally at the meeting in accordance with Robert’s Rules of Order.

Table of Contents

INTRODUCTION

ARTICLE I: MEMBERSHIP	2
SECTION 1: MEMBERSHIP CLASSES	2
SECTION 2: MEMBER IN GOOD STANDING	5
SECTION 3: MEMBER'S IMMEDIATE FAMILY	6
SECTION 4: MEMBERS AGREE TO BE BOUND BY THE BYLAWS	6
SECTION 5: MEMBERSHIP CARDS AND CERTIFICATES	6
SECTION 6: MEMBERSHIP IS NON-TRANSFERABLE	6
SECTION 7: ANNUAL MEETING OF MEMBERS	6
SECTION 8: SPECIAL MEETINGS OF MEMBERS	6
SECTION 9: NOTICE OF MEETINGS	7
SECTION 10: ORGANIZATION OF MEETING	7
SECTION 11: ORDER OF BUSINESS	7
SECTION 12: VOTING AT MEETINGS	7
SECTION 13: CONDUCT OF MEMBERS	8
SECTION 14: PAYMENT DEFAULT BY MEMBERS	8
SECTION 15: TERMINATION OF MEMBERSHIP	8
ARTICLE II: DUES, ASSESSMENTS, AND INITIATION FEES	9
SECTION 1: DUES AND ASSESSMENTS MUST BE AUTHORIZED BY BYLAWS	9
SECTION 2: INITIATION FEES AND CHANGE OF MEMBERSHIP STATUS	10
SECTION 3: ANNUAL MEMBERSHIP DUES	10
ARTICLE III: BOARD OF GOVERNORS	11
SECTION 1: NUMBER	11
SECTION 2: TERM OF OFFICE	11
SECTION 3: VACANCIES	11
SECTION 4: POWERS	11
SECTION 5: REGULAR MEETINGS OF THE BOARD OF GOVERNORS	11
SECTION 6: SPECIAL MEETINGS OF THE BOARD OF GOVERNORS	12
ARTICLE IV: OFFICERS	12
SECTION 1: OFFICER POSITIONS	12
SECTION 2: LINE OF SUCCESSION TO COMMODORE	12
SECTION 3: QUALIFICATIONS	13
SECTION 4: COMMODORE	13
SECTION 5: VICE COMMODORE	13
SECTION 6: REAR COMMODORE FOR SOCIALS	14
SECTION 7: REAR COMMODORE FOR SPORTS	14
SECTION 8: GOVERNOR OF COMMUNITY AFFAIRS	14
SECTION 9: GOVERNOR OF GOVERNMENTAL AFFAIRS	14
SECTION 10: GOVERNOR OF MEMBERSHIP	14
SECTION 11: FLEET CAPTAIN	14
SECTION 12: SECRETARY	14
SECTION 13: TREASURER	15
SECTION 14: GOVERNOR OF FACILITIES	15
SECTION 15: REMOVAL	16
SECTION 16: OTHER OFFICERS AND AGENTS	16
SECTION 17: CLUB MANAGER AND OTHER EMPLOYEES	16
ARTICLE V: COMMITTEES	17
SECTION 1: STANDING COMMITTEES	17
SECTION 2: OPERATION OF STANDING COMMITTEES	17
SECTION 3: MEMBERSHIP AND WELCOMING COMMITTEE	17

SECTION 4:	FINANCE COMMITTEE	18
SECTION 5:	CLUBHOUSE OPERATIONS COMMITTEES	18
SECTION 6:	SOCIAL ACTIVITIES COMMITTEE	18
SECTION 7:	ARCHITECTURAL ADVISORY COMMITTEE	18
SECTION 8:	YACHTING ACTIVITIES COMMITTEE	19
SECTION 9:	CANAL AND WATERFRONT COMMITTEE	19
SECTION 10:	SPECIAL COMMITTEES	20
SECTION 11:	COMMODORE EX-OFFICIO MEMBER	20
SECTION 12:	COMMITTEE EXPENDITURES	20
ARTICLE VI:	YACHT OWNERS	20
SECTION 1:	CLUB SQUADRON AND PENNANT	20
SECTION 2:	UNAUTHORIZED USE OF PENNANT PROHIBITED	20
ARTICLE VII:	INSPECTION OF RECORDS	20
ARTICLE VIII:	SEAL	21
ARTICLE IX:	AMENDMENTS	21
SECTION 1:	BYLAWS APPLICABLE TO ALL RESIDENT MEMBERS	21
SECTION 2:	BYLAWS APPLICABLE TO ALL ACTIVE RESIDENT MEMBERS	21
SECTION 3:	PROPOSAL FOR AMENDMENT, ALTERATION, OR REPEAL OF BYLAW	21