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# Bylaws of the Newport Yacht Club

Approved November 11<sup>th</sup>, 2020



## **INTRODUCTION**

These Bylaws are intended to provide internal governance procedures for the Club, a Washington nonprofit corporation, homeowners association, and community improvement organization. The Club provides a clubhouse, moorage, tennis, swimming and other recreational and social facilities for Members, Associates, and Moorage Tenants as provided herein. These Bylaws are intended to supplement the Second Amended Restated Declaration of Protective Covenants, Restrictions, Limitations, Conditions, and Agreements with Respect to Plat Division No. 1, 2, and 3 of Newport Shores, recorded under King County recording number 20041221001257, and any amendments thereto (the “CC&R’s”).

## **ARTICLE I: MEMBERSHIP**

### **SECTION 1: MEMBERSHIP CLASSES AND PRIVILEGES**

#### **1. Active Resident Members.**

(a) Except as provided in Paragraph 2 of this Section, all lot owners in Newport Shores are Active Resident Members so long as they continue to own their lots. Each lot will be assessed annual dues as provided in budgets adopted by the Board and ratified by Members. In addition, Active Resident Members shall pay Active User Fees and a non-refundable Initiation Fee.

(b) Only persons who own a lot in Newport Shores may be Active Resident Members. Membership is tied to lot ownership and cannot be severed. Upon sale of the lot, the lot owners’ membership is terminated, and the new lot owners automatically become Active Resident Members. Any person who owns more than one lot in Newport Shores will be required to pay Resident HOA Dues and Active User Fees on each lot and have one vote for each lot owned.

(c) Active Resident Members who sell their lots and no longer own a lot in Newport Shores may continue to use Club facilities by applying for Associate Status within thirty (30) days of the sale of their lot, without paying an additional Initiation Fee.

(d) Active Resident Members may transfer their use privileges to their tenants, as provided in Paragraph 7 of this Section.

#### **2. Resident Only Members**

(a) Individuals who purchased lots prior to January 1, 2005, may elect in writing to be Resident Only Members, in which case they are not required to pay the Active User Fees. Resident Only Members will be entitled to vote and participate in all community improvement functions but will not be entitled to use the Clubhouse or other Club Facilities.

(b) If title to a lot is acquired by any means on or after January 1, 2005 (“The Effective Date”), the owners of the lot must be Active Resident Members.

(c) Any Member who terminates active membership status, as provided in Paragraph 2(a) of this section, may apply for reinstatement within one (1) year of termination and shall be reinstated upon payment of all annual dues that accrued while on Resident Only status, but shall not be required to pay a new Initiation Fee. After one (1) year of termination, a Resident Only Member shall pay a new Initiation Fee.

(d) A Resident Only Member who purchases an additional or different lot in Newport Shores after January 1, 2005, automatically becomes an Active Resident Member for the newly purchased lot and shall be required to pay the current Initiation Fee and Active User Fees for that lot.

(e) Notwithstanding anything herein to the contrary, transfer of a Lot to a trust or the transfer of the beneficial interest in a trust that includes a Lot by Resident Only Members, shall not automatically require the Lot or the beneficiaries of the trust to become Active Resident Members. However, if the beneficial interest in a trust that includes a Lot that is a Resident Only Member, is transferred to new beneficiaries, the Lot may no longer maintain Resident Only Membership status and must become an Active Resident Member.

(f) Notwithstanding anything herein to the contrary, the Resident Only Membership option shall terminate on December 31, 2050. Any Resident Only Members as of that date shall become Active Resident Members and shall be responsible for payment of Active User Fees and Assessments but will not be subject to any Initiation Fee.

### 3. Associates

(a) Associates are non-Members with the privilege to use Club facilities as provided herein. Associates are required to pay Active User Fees. An Associate may use the Clubhouse and all other Club facilities but has no voting rights. Associates must be approved by the Board. If an Active Resident Member in good standing sells his or her lot, and no longer owns a lot in Newport Shores, they may become an Associate without the payment of an Initiation Fee as provided in Paragraph 1(c) of this section.

(b) In order to become an Associate, 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 (and their immediate family members) receiving a majority vote of the Board shall become an Associate.

(c) If an Associate purchases a Lot in Newport Shores, their Initiation Fee to become an Active Resident Member shall be reduced by the amount of any Initiation Fee that was paid to become an Associate.

### 4. Moorage Tenants

(a) A Moorage Tenant is any person (or marital community or vessel joint tenancy/co-tenancy) who is not an Active Resident/Resident Only Member or an Associate who leases or rents a slip from either the Club or a Moorage Licensee. 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. A person (or marital community or vessel joint tenancy/co-tenancy) may maintain the privileges of a Moorage Tenant only so long as the Moorage License Agreement remains in effect.

(b) Moorage Tenants are entitled to use the Club's parking lot and the Clubhouse washroom facilities during business hours, but they shall not have the right to use the Club's swimming pool, tennis courts or other facilities.

(c) Moorage Tenants may apply for Associate Status as provided in Paragraph 3 of this Section. If approved by the Board, the Moorage Tenant shall pay an Initiation Fee and agree to pay the Active User Fees. The Associate Status obtained pursuant to this Section shall last for as long as the Moorage License Agreement remains in effect. The Moorage Tenant's rights provided for in this Paragraph shall automatically terminate upon termination of the moorage agreement.

(d) For each vessel joint tenancy/co-tenancy and Moorage Tenants that live in separate households, they must submit separate applications for, and maintain separate Associate membership status. Each household will be charged a separate initiation fee and Active User Fees.

## 5. Moorage Licensees

(a) All individuals who hold rights to a remainder of a 75-year license agreement ("Moorage License Agreement") for a vessel berth at the finger piers situated at the Club's premises at 81 Skagit Key, Bellevue, Washington, must be Active Resident Members or Associates. Moorage License Agreements may not be granted, transferred, or assigned to persons who are not Active Resident Members or Associates.

(b) If an individual who is not an Active Resident Member desires to acquire rights to a Moorage License Agreement, they must apply for Associate Status as provided in Paragraph 3(b) above, and pay an Initiation Fee and Active User Fees.

(c) A Resident Only Member, who executes a Moorage License Agreement, automatically becomes an Active Resident Member and must pay the Active User Fees, and the Moorage Licensee Initiation Fee, except as provided in Paragraph 2(b) of this Section. Prior to December 31, 2050, they will still maintain the right to revert to a Resident Only Member at the sale/termination of the 75-year license agreement.

(d) No individual or entity may be granted, transferred, or assigned a Moorage License Agreement if it will result in the individual or entity holding more than two moorage licenses at any given time.

(e) Moorage License Agreements shall be in a form approved by the Board. The Commodore is authorized to sign Moorage License Agreements on behalf of the Club.

(f) If a Moorage Licensee or Moorage Tenant who is an Associate terminates the license by sale or transfer to another person, if the transferor (seller) has not previously been an Active Resident Member, the seller's Associate Status shall automatically be terminated.

(g) If a Moorage Licensee who has not previously been an Active Resident Member terminates a license through reversion of the interest to Newport Yacht Club, the Moorage Licensee's Associate Status shall be automatically terminated.

(h) If the Board terminates an Associate who holds a Moorage License Agreement as provided in Article I, Section 2, the remaining interest in the Moorage License Agreement reverts to Newport Yacht Club, in which case the Club shall refund a pro-rata amount based on the percentage of the 75-year license which was used multiplied by the original 1978 purchase price of the license.

(i) If an Active Resident/Resident Only Member who is also a Moorage Licensee sells his or her lot in Newport Shores, he or she automatically becomes an Associate without payment of another Initiation Fee.

6. Initiation Fees. In all cases, Initiation Fees are non-refundable.

7. Rentals

(a) Active Resident/Resident Only Members may lease their lots. Except as provided in Paragraph 7(b) of this Section, the rental of a lot within Newport Shores does not entitle the lessee to the right to use the clubhouse or other facilities.

(b) Except as provided in Paragraph 7(c) of this Section, Active Resident Members who rent their lots may apply to the Board for permission to allow their lessee and the lessee's immediate family the right to exercise the Active Resident Member's right (if any), during the period of any legally valid lease, to use the Club, the facilities, and to attend social functions while the Active Resident Member is in good standing. Any privileges conferred pursuant this provision are automatically terminated upon expiration of the lease and/or rental period. Privileges conferred by the Board to lessees may be revoked by the Board at any time in its sole discretion. The Board shall base any decision to permit a lessee to utilize Club facilities on the following criteria:

(i) Length of the lease/remaining term of lease.

(ii) Whether the Active Resident Member is in good standing.

(iii) Whether the Active Resident Member has made satisfactory arrangements for the continual payment of all dues owed.

(iv) Whether the tenants have previously violated the Governing Documents.

(c) If an Active Resident Member who has a Moorage License Agreement rents their lot and would like to allow the tenants of their lot to be able to use Club facilities, they may apply to the Board for permission to do so. If permission is granted, the Active Resident Member shall pay an additional Active User Fee.

(d) An Active Resident Member whose tenants are allowed to use Club facilities as provided herein will be responsible for the tenant's compliance with the governing documents and the payment of all amounts owed by the tenants to the Club.

(e) An Active Resident Member shall not be permitted to exercise membership rights to use Club facilities during any period of time when the Member's tenants have been granted the right to use the Member's privileges as provided in Paragraph 7(b) of this Section

(f) The Board may establish a reasonable fee for processing applications and allowing tenants to exercise membership rights pursuant to this Section.

## **SECTION 2: GOOD STANDING**

1. In order to be considered in good standing ("Good Standing") Active Resident/Resident Only Members, Associates and Moorage Tenants must:

(a) Pay all amounts owed to the Club within sixty (60) days after the due date; and

(b) Are not under suspension or termination by the Board.

2. The Board may suspend an Active Resident/Resident Only Member's privilege to use Club facilities or terminate Moorage Tenants and individuals with Associate Status, after notice for conduct which violates (1) the CC&R's, (2) these Bylaws, (3) a rule of the Club, (4) results in damages to the Club or any other resident or their property, (5) causes injury to any person, or (6) for other conduct which the Board determines is detrimental to the Club or residents of Newport Shores. Any such suspension shall not relieve an Active Resident/Resident Only Member of his or her obligation to pay HOA dues, Active User Fees, and any other amounts owed to the Club. A hearing with the Board to contest such action may be requested in writing and conducted per Article III, Section 5, paragraph 3.

3. Active Resident/Resident Only Members and Associates who are not in Good Standing are not entitled to the use of the Clubhouse, swimming pool, tennis courts, play yard, and Yacht Club grounds and facilities.

4. Moorage Tenants, who are not in Good Standing, are not entitled to use the Club parking lot or washrooms.

5. If an Active Resident Member's tenants are entitled to use Club facilities as provided in Paragraph 7(b) of Section 1, and the Active Resident Member is not in Good Standing, the tenants' privileges to use the facilities shall be suspended.

## **SECTION 3: IMMEDIATE FAMILY**

1. All individuals who permanently reside in a home on a Lot in Newport Shores with an Active Resident Member in Good Standing are considered immediate family and are entitled to all

of the same Club privileges as the Member. Any other family members 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.

2. The Board may establish a policy granting limited privileges to other non-resident family members. Any privileges granted to non-resident family members pursuant to this Section may be rescinded by the Board at any time.

#### **SECTION 4: AGREEMENT TO BE BOUND BY GOVERNING DOCUMENTS**

1. All Members of the Club, Associates, and Moorage Tenants, and each of their immediate family shall comply with the Club's governing documents, including the CC&R's, these Bylaws, articles of incorporation, rules, any decisions of the Board, and any amendments or supplements thereto.

2. Failure to comply with any of the governing documents shall be ground for an action to recover sums due, for damages or injunctive relief, or both, on behalf of the Club or by a particularly aggrieved Member. The prevailing party in any such action shall be entitled to recover costs and reasonable attorneys' fees. In addition, the prevailing party shall be entitled to costs and reasonable attorneys' fees on appeal and in the enforcement of any judgment.

#### **SECTION 5: MEMBERSHIP/IDENTIFICATION CARDS AND CERTIFICATES**

1. The Club may elect to issue cards to Active Resident Members, Associates, Moorage Tenants, and their immediate family members. To be valid, cards must be signed by the holder and must be current.

2. The Board or an officer or agent of the Club may request identification of individuals as it deems necessary for entrance to any Club facility. An officer of the Club may request that a card be surrendered on demand if an individual is not in Good Standing.

#### **SECTION 6: MEMBERSHIP IS NON-TRANSFERABLE**

Membership in the Club is not severable from lot ownership and no assignment shall be recognized for any purpose and is void.

### **ARTICLE II: CLUB GOVERNANCE**

#### **SECTION 1: ANNUAL MEETING OF MEMBERS**

1. 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.

2. The most recent edition of Robert's Rules of Order shall apply at the annual meeting and at all other meetings of Members or the Board of Governors.

## **SECTION 2: SPECIAL MEETING OF MEMBERS**

1. Special Meetings may be called by the Commodore, a majority of the Board, or by Members having at least ten percent (10%) of the votes in the Club, to be held at such time and place as designated in the call of the meeting.
2. Notices of Special Meetings must contain the purpose or purposes for which the meeting is called and must be given in accordance with Section 3 of this Article.

## **SECTION 3: NOTICE OF MEETINGS**

1. The Secretary shall give written notice to all Members of record not less than fourteen (14) days nor more than fifty (50) days prior to any meeting of the Club. Written notice may be by hand-delivery, prepaid first-class United States mail as provided in Section 6 of this Article, or electronic transmission as provided in Section 9 of this Article.
2. A Member may waive such notice in writing at any time before or after the meeting.

## **SECTION 4: QUORUM**

1. Meetings of Members may proceed to transact business if a quorum is present. A quorum requires the presence, in person or by proxy, of at least twenty-five percent (25%) of Members. Business may then proceed until adjournment even if the departure of Members leaves less than quorum.
2. Associates who are in Good Standing may attend meetings of Members at the discretion of the Board as observers only.

## **SECTION 5: ORDER OF BUSINESS**

1. 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 and may be waived by a majority vote of Members present.
  - (a) Commodore or other officer acting in his or her absence calls the meeting to order.
  - (b) Roll call of Members in Good Standing and report by the Secretary of the number of Members present or represented by proxy/establishment of quorum.
  - (c) Reading and approval of the previous meeting's minutes.
  - (d) Report of the Board of Governors (Annual meeting only).
  - (e) Reports of Officers and Committee Chairpersons.
  - (f) Unfinished business.

(g) New business.

(h) Adjournment.

## **SECTION 6: REGISTRATION OF MAILING ADDRESS**

1. Each Member, Associate, and Moorage Tenant shall notify the Club of an address in the United States of America to be used by the Club for purposes of notice (“Registered Address”). Multiple owners of a lot shall designate a single Registered Address to be used by the Club. Except where a Member, Associate, or Moorage Tenant has consented to electronic notice as provided in Section 9 of this Article, the Registered Address shall be used for mailing of statements, notices, demands and all other communications.

2. New owners of a lot shall provide the Registered Address to the Club or Newport Yacht Club Manager within five (5) days after receipt of title or interest in a lot. The registration shall be in written form and signed by the owner of the lot or the owner’s agent.

3. If no Registered Address is provided or if all of the co-owners of a lot cannot agree on a Registered Address, then the address of the lot shall be the Registered Address until the Registered Address is furnished as required under this paragraph. The Registered Address may be changed from time to time by similar designation.

## **SECTION 7: VOTING**

1. There is one vote for each lot. Members may vote at a meeting in person or by proxy. In addition, Members may vote by ballot when the Club conducts a vote without a meeting as provided in Paragraph 2 of this Section.

2. When the Club conducts a vote by ballot without a meeting, the following procedures apply:

(a) The Club must notify Members that the vote will be taken by ballot without a meeting.

(b) The notice must state the time and date by which a ballot must be delivered to the Club to be counted, which may not be fewer than fourteen (14) days after the date of the notice, and which deadline may be extended in accordance with Paragraph 2(f) of this Section. The notice must also state the percent of votes necessary to meet the quorum requirements, the percent of votes necessary to approve each matter other than election of board members, the time, date, and manner by which Members wishing to deliver information to all other Members regarding the subject of the vote may do so.

(c) The Club must deliver a ballot to every Member with the notice. The ballot must set forth each proposed action and provide an opportunity to vote for or against the action.

(d) A ballot cast pursuant to this Paragraph may be revoked only by actual notice of the revocation to the Club. The death or disability of a Member does not revoke a ballot unless the Club has actual notice of the death or disability prior to the date set forth in Paragraph 2(b) of this Section.

(e) Approval by ballot is valid only if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action.

(f) If the Club does not receive a sufficient number of votes to constitute a quorum or to approve the proposal by the date and time established for return of ballots, the board may extend the deadline for a reasonable period not to exceed eleven (11) months upon further notice to all Members in accordance with Paragraph 2(b) of this Section. In that event, all votes previously cast on the proposal must be counted unless subsequently revoked as provided by Paragraph 2(d). of this Section

(g) A ballot or revocation is not effective until received by the Club.

(h) The Club must give notice to Members of the results of a vote conducted under this Paragraph and any action taken pursuant to such a vote within a reasonable time after the action is taken. A record of any such action, including the ballots or a report of the persons appointed to tabulate the ballots, must be kept with the minutes of meetings of the Club.

3. Proxies must be duly executed by a Member. A Member may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the Club. A proxy is void if it is not dated or purports to be revocable without notice. Pursuant to RCW 24.03.085, no proxy shall be valid eleven (11) months after the date of its execution unless otherwise provided in the proxy.

4. The division of the vote allocated to a lot shall not be allowed. If co-owners of a lot are unable to agree as to how their lot's vote shall be cast, they shall lose their right to vote on the matter in question. If more than one (1) vote on a matter is cast by different co-owners of a particular lot, none of the votes cast for the lot shall be counted and the votes shall be deemed void; provided that the vote of the lot shall be counted for the purpose of constituting a quorum.

5. The voting privileges of a Member not in Good Standing as provided in Article 1, Section 2, are automatically suspended while the Member remains not in Good Standing.

## **SECTION 8: NOTICE TO CLUB**

1. Notice to the Club must be provided by mail, private carrier, or personal delivery.
2. Notice must be addressed to Newport Yacht Club - 81 Skagit Key – Bellevue, WA 98006.

## **SECTION 9: ELECTRONIC NOTICE**

1. Notwithstanding anything herein to the contrary, notices may be provided to Members electronically as provided in this Section.
2. Notice to Members in an electronic transmission is only effective to those Members who have consented in writing in a tangible medium (i.e., a writing, copy of a writing, facsimile, or physical reproduction, each on paper or on other tangible material) or in an electronic transmission to receive electronically transmitted notices. A Member's consent shall designate the message format accessible to the recipient, and the address, location, or system to which notices may be electronically transmitted.
3. A Member who has consented to receipt of electronically transmitted notices may revoke the consent by delivering a revocation to the Club in either a tangible medium or in an electronic transmission.
4. The consent of a Member is revoked if the Club is unable to electronically transmit two consecutive notices given by the Club, and this inability becomes known to the secretary of the Club or the person responsible for providing the notice. The inadvertent failure by the Club to treat this inability as a revocation does not invalidate any meeting or other action.
5. Notice provided as an electronic transmission is effective when it is electronically transmitted to an address, location, or system designated by the Member for that purpose and is made pursuant to the consent provided by the Member.
6. Nothing in this Section shall invalidate a notice provided to a Member's Registered Address.

## **ARTICLE III: ANNUAL DUES, FEES, FINES, AND RESERVE STUDIES**

### **SECTION 1: ANNUAL RESIDENT HOA DUES BASED ON BUDGET**

1. Resident HOA Dues. Each Member by acceptance of a deed or recording a contract of sale for a lot is deemed to covenant and agree to pay Resident HOA dues as levied from time to time by the Club. Resident HOA Dues are the personal obligation of each Member. In addition, Resident HOA dues shall be a charge and a continuing lien against each lot they are assessed against, regardless of whether the lien is reduced to writing and recorded or not. The lien is subject to foreclosure and is exempt from homestead protection under RCW 6.13.080. The amount of the annual Resident HOA dues may be changed according to the process outlined herein and state law for ratifying budgets.
2. Budget Ratification. Within thirty (30) days after adoption of any proposed budget by the Board, the Board must provide a copy of the budget to all Members and set a date for a meeting of the Members to consider ratification of the budget not less than fourteen (14) nor more than fifty (50) days after providing the budget. Unless at that meeting Members holding a majority of

the votes in the Club vote to reject the budget, in person or by proxy, the budget is ratified, regardless of whether or not a quorum is present. Budget ratification cannot be conducted by ballot without a meeting as outlined in Article II, Section 7, Paragraph 2.

3. Contents of Budget. The proposed Budget must include:

- (a) The projected income to the Club by category.
- (b) The projected common expenses and those specially allocated expenses that are subject to being budgeted, by category.
- (c) The amount of the Resident HOA dues per lot and the date the dues are due;
- (d) The current amount of regular dues budgeted for contribution to the bank account specifically designated for the deposit of funds to pay for replacement costs of major Club improvements as provided in RCW 64.90.535.
- (e) A statement of whether the Club has a reserve study that meets the requirements of RCW 64.90.550 and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and
- (f) The current deficiency or surplus in reserve funding expressed on a per lot basis.

4. Rejection of Budget. In the event the proposed budget is rejected, or the required notice is not given, the periodic budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board.

## **SECTION 2: INITIATION FEES AND CHANGE OF MEMBERSHIP STATUS**

Payment of Initiation Fees shall be as follows:

1. Active Resident Members shall pay an Initiation Fee of \$5,000.00 (or such other amount as the Board may establish as the Initiation Fee), except as otherwise provided herein.
2. An Active Resident Member need not pay an Initiation Fee when they elect to become an Associate within thirty (30) days of the sale of their lot.
3. A person who becomes an Associate 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 as the Initiation Fee) within five (5) days of acquiring the Moorage License. Any transfer of a Moorage License Agreement requires payment of a new Initiation Fee by the new license holder.
4. Except as provided in Article I, Section 1, Paragraph (5)(c), any Resident Only 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 as the Initiation Fee).

5. Moorage Tenants shall pay an Initiation Fee of \$500.00 (or such other amount as the Board may establish as the Initiation Fee). When a Moorage Tenant is approved to become an Associate, they shall pay an Initiation Fee of \$500 (or such other amount as the Board may establish as the Initiation Fee).

### **SECTION 3: FEES**

In addition, Active Resident Members and Associates shall be charged an Active User Fee charged per quarter for the use of the Clubhouse and other Club facilities.

### **SECTION 4: FINES**

1. Fine Schedule. The following fine schedule applies to violations of the Club's governing documents, including, but not limited to, Covenants, Conditions & Restrictions, Bylaws, Rules & Regulations, and any decision of the Board:

(a) 1st violation: Warning and/or up to \$100 fine, unless otherwise provided in a specific provision.

(b) 2<sup>nd</sup> violation of the same provision: Fine up to \$200, at the Board's discretion, unless otherwise provided in a specific provision.

(c) 3<sup>rd</sup> or more violations of the same provision: Fine up to \$500, at the Board's discretion, unless otherwise provided in a specific provision.

(d) Continuing Violations. Each and every day a violation continues shall be considered as a separate offense and will be subject to an additional fine of up to \$100 per day, beginning ten (10) days after the Member is notified of the fine until the violation is corrected unless otherwise provided in a specific rule. Daily fines may be imposed without first applying the fines in (a), (b) and (c) above. If the violation continues for more than three months after the fine has been imposed, the Club may place a lien on the property for the accumulating unpaid amount of the fine and all other costs associated with the violation.

(e) Fines are assessments as defined in RCW 64.38.010 and are due within thirty (30) days of notification. A late fee will be assessed for late payment of fines.

### **SECTION 5: ENFORCEMENT PROCEDURES**

#### **1. GENERAL**

(a) Authority. The Board is authorized and empowered to investigate, hear and determine all complaints concerning violations of the governing documents or of any decision of the Board made as provided in the governing documents. The Board is further authorized and empowered to impose fines as may be allowed in amounts not to exceed the maximum rates established in the Bylaws on any person whom it finds to have violated the governing documents. The following is the procedure that must be followed prior to a fine being assessed. The Board

may but is not required to use this process in circumstances where a fine has not been assessed.

(b) Informal Dispute Resolution Preferred. It is the intent of the Club that an informal process, as outlined in the Architectural Advisory Committee's Policies and Procedures ("AAC Procedures"), be utilized prior to elevating an alleged violation of the governing documents to the Board to address.

(c) Complaint. If a dispute or violation is not resolved informally then a written complaint may be submitted to the Board containing a statement of the problem necessitating the complaint setting out in simple and concise language the acts or omissions with which the alleged violator (referred to as the "respondent") is charged. The complaint should identify the individual who is filing the complaint. The complaint should also identify the specific provisions of the governing documents or decision of the Board which the respondent is alleged to have violated. The complaint shall state as many of the specifics as are available regarding time, date, location, nature of violation, persons involved, etc.

(d) The Board will investigate a complaint's validity, which may include referring a matter to the AAC for investigation, and take any action it deems appropriate, which may include but not be limited to serving a notice of infraction on the respondent (at the respondent's Registered Address as set forth in the Bylaws, if a member), and at the lot address if a non-member occupant, assessing a fine, scheduling a hearing and/or proceeding with legal action. The Board reserves the right to reject/refuse to take action on any complaint that in its sole discretion it determines to be frivolous, intended for the purpose of harassment, is vague and/or lacking necessary details or is not in the best interest of the Club.

## 2. APPEAL

(a) Any member or resident has the right to appeal fines imposed by the Club provided that they request a hearing within fifteen (15) days after service of a notice of infraction and fine. In such case, imposition of any fine imposed will be suspended pending determination of the appeal by the Board. Requests to appeal a fine must be submitted to the Club in writing.

(b) At the Board's discretion, hearings may be conducted telephonically, orally and/or in writing. Unless notified by the Club in writing prior to the date of the hearing, appeals will be conducted orally as follows: requests received at least fourteen (14) days before the next regularly scheduled Board meeting will be held immediately following that Board meeting. Requests received less than fourteen (14) days in advance of the next regularly scheduled Board meeting will be held immediately following the next Board meeting. Notice confirming the date and time of the hearing will be provided at least five (5) days prior to the hearing.

(c) Default. Respondent may reschedule a hearing once as a matter of right by notifying the Club in writing at least forty-eight (48) hours prior to the hearing of their inability to attend. Upon receipt of an initial request to reschedule a hearing, the hearing will be continued to immediately following the next regularly scheduled Board meeting or as otherwise determined by the Board. The failure of one party to appear at a hearing, where that party prior to the hearing has failed to show good cause why the hearing should be rescheduled, does not preclude the Club from proceeding with the hearing, receiving evidence from and hearing arguments by the other party

and making a decision in the matter. Upon failure of the complainant to appear, the Board may, in its discretion, drop the matter.

### 3. HEARING PROCEDURE

(a) Conduct of Hearing. The hearing shall be conducted by the Board. The respondent shall appear in person or by a duly authorized representative. The hearing shall be informal. At the beginning of the hearing the Board shall explain the rules and procedures by which the hearing is to be conducted, including but not limited to, setting time limits as it deems appropriate.

(b) Rules of Evidence. Any relevant evidence which is not privileged is admissible regardless of whether the evidence is hearsay or otherwise inadmissible in a court of law.

(c) Decision and Order. As soon as possible after the close of the hearing, the Board shall meet in executive session to deliberate. If a violation is found, the Board shall issue a final order stating the particular violation(s) found. Upon a decision by the Board that a violation has occurred, the Board may order that the respondent shall do or refrain from doing any act necessary to cause the respondent to comply with the provisions of the governing documents and/or any decision of the Board. The Board may provide in its order for the imposition of a reasonable fine not to exceed the maximum amounts set herein. The Board may also provide for continuing fines in the event that the respondent does not comply with the order of the Board, including the payment of the fines, within the allotted time. Any fine or charge so imposed by the Board shall be the personal obligation of the person against whom it is imposed, shall constitute a lien upon the lot owned or occupied by that person, and may be collected in the manner provided in the Declaration in same manner as for assessments.

(d) Judicial Enforcement. Failure to comply with a decision of the Board following notice of a violation and an opportunity for a hearing, shall be grounds for an action by the Club to recover sums due for damages, which shall include any fines levied by the Board and any costs incurred by the Club in connection with the proceedings before the Board, or for injunctive relief, or both, maintainable by the Club. In any action brought as provided in this Section, the prevailing party shall be entitled to recover as part of its judgment a reasonable sum for attorney fees incurred in connection with the action, in addition to its expenses and taxable costs at trial and on appeal.

## **SECTION 6: RESERVE STUDIES**

1. The Club shall obtain and update a reserve study from a reserve study professional as defined in RCW 64.90.010(47).

2. The initial reserve study must be based on a visual site inspection of the Club's improvements. An updated reserve study must be prepared annually and at least every third year be based on a visual site inspection by the reserve study professional.

3. Any reserve study is supplemental to the Club's operating and maintenance budget and must contain the information listed in RCW 64.90.550(2)-(3).

## **SECTION 7: COLLECTION OF DUES**

1. The Board may from time to time establish reasonable late charges and a reasonable rate of interest to be charged on any amounts not paid when due. Unless otherwise established by the Board, interest at the rate of twelve percent (12%) per annum shall be assessed to any account which is over sixty (60) days delinquent.
2. The Club shall be entitled to recover its costs, expenses and reasonable attorney fees incurred in connection with the collection of any amounts it is owed and foreclosing its lien for unpaid dues, whether or not the collection activities result in suit being commenced or prosecuted to judgment. In addition, the prevailing party shall be entitled to recover its costs, expenses and reasonable attorney fees on appeal and in the enforcement of a judgment, whether in the state of Washington or another state.

## **ARTICLE IV: BOARD OF GOVERNORS**

### **SECTION 1: NUMBER OF BOARD MEMBERS**

1. The Board of Governors shall consist of at least ten (10) individuals who must be Active Resident Members or Resident Only Members or the immediate family members of such Members who are at least eighteen (18) years of age and reside in Newport Shores. At all times at least seven (7) of the Board members must be Active Resident Members.
2. Only Active Resident Member Board members shall be entitled to vote at Board meetings on matters pertaining to the Clubhouse and the adjacent Club facilities.

### **SECTION 2: TERM OF OFFICE**

Except as provided in Article V, Section 2, and Section 3 of this Article, Board members shall serve three (3) year terms. At the November annual meeting, each vacant Board position shall be filled by election by a vote of the Members.

### **SECTION 3: VACANCIES**

1. Any vacancy on the Board, whether caused by resignation, death, or otherwise, may be filled by a majority vote of the remaining Board members in attendance at any meeting so long as all other Board members were notified that the vacancy was to be filled.
2. A Board member appointed to fill a vacancy shall be appointed until the next Board Election or Annual Meeting.

### **SECTION 4: POWERS**

The Board shall manage the Club's affairs and exercise its powers as the Board in accordance with Washington law. The Board shall have the power to act for the good of the Club in all matters, in accordance with the Club's Governing Documents.

## **SECTION 5: REGULAR BOARD MEETINGS**

1. The Board shall conduct regular meetings on a monthly basis with the exception of August, when the meeting will be conducted only if the Board determines that a meeting is necessary.
2. Except in November when the Board will meet after the Annual Meeting of Members, regular meetings will be at 7:00 p.m. on the second Tuesday of each month, unless the Board by majority vote adopts a different day or time, in which event, written notice of the changed day or time must be provided to all Board members and posted to the community at least five (5) days before the meeting.

## **SECTION 6: SPECIAL BOARD MEETINGS**

1. The Commodore or a majority of the Board may call a special meeting.
2. Notice of special meetings shall be given to all Board members by the Secretary or the Board member calling the meeting by mail to the Registered Address, telephone, or electronic transmission on at least three (3) days' notice prior to the date of the meeting.
3. Notice of any special meeting may be waived by a Board member in writing and sent to the Club by mail, by electronic transmission, or by fax, either before or after the meeting.
4. Attendance at a meeting shall constitute waiver of notice of such meeting, unless the Board member attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

## **ARTICLE V: OFFICERS**

### **SECTION 1: OFFICERS**

1. The officers shall include the Commodore, Past 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.
2. 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**

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

2. The Vice Commodore shall serve a one (1) year term and then automatically become Commodore for a one (1) year term. The Vice Commodore shall have his or her total term on the Board extended, if necessary, to enable him or her to serve the one (1) year as Vice Commodore, a second one (1) year term as Commodore, and a third one (1) year term as Past Commodore. Except for the extension to allow the persons filling the Vice Commodore, Commodore, and Past Commodore positions to remain on the Board, each Board position itself will become open at the end of the original three (3) year term and will be filled by the regular election process.

### **SECTION 3: QUALIFICATIONS**

The Commodore, Vice Commodore, Past Commodore, Rear Commodore for Sports, Rear Commodore for Socials, Governor of Membership, Governor of Facilities and Fleet Captain shall be Active Resident Members and Board members. The Governor of Community Affairs, Treasurer, Secretary and the Governor of Governmental Affairs shall be Active Resident or Resident Only Members and Board members.

### **SECTION 4: BOARD POSITIONS**

1. 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:

- (a) Enforce the Bylaws, rules, and regulations of the Club;
- (b) Preside at all Membership and Board meetings
- (c) Sign all contracts, agreements, and employment commitments on behalf of the Club, after they have been approved by a majority vote of the Board; and
- (d) Have such other powers and perform other duties as may be authorized by the Board or in accordance with the Bylaws or as are usually incident to such office.

2. Past Commodore. The Past Commodore shall be a member of the Board as provided in Article V, Section 2, and have full voting rights for one (1) year following his or her term as Commodore.

3. 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. The Vice Commodore shall be a Member of the Board appointed to a one (1) year term by the Commodore with approval of a majority of the Board.

4. Rear Commodore of Socials. The Rear Commodore of Socials shall be responsible for the Club's social programs and the Social Committee. The Rear Commodore for Socials shall be a

Member of the Board appointed to a one (1) year term by the Commodore with approval of a majority of the Board.

5. Rear Commodore of Sports. The Rear Commodore of Sports shall be responsible for the Swimming and Tennis programs and such other sports activities as may be directed. The Rear Commodore for Sports shall be a Member of the Board appointed to a one (1) year term by the Commodore with approval of a majority of the Board.

6. Governor for 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 (1) year term by the Commodore with approval of a majority of the Board.

7. 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 (1) year term by the Commodore with approval of a majority of the Board.

8. 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 (1) year term by the Commodore with approval of a majority of the Board.

9. 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.

10. Secretary. The Secretary shall be a resident of Newport Shores and 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. In conjunction with the Vice Commodore and the Club Manager, the Secretary shall:

(a) Keep a record of all the Club's proceedings;

(b) Keep a record of all the Board's proceedings;

(c) Keep a roll of the Members; and

(d) 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.

11. Treasurer. The Treasurer shall be appointed by the Commodore, with the approval of a majority of the Board, for a one (1) year term. In conjunction with the Club Manager, the Treasurer shall:

(a) Be the custodian of all the funds of the Club;

- (b) Supervise the deposit of Club money in the bank or banks approved by the Board in the name of Newport Yacht Club;
- (c) Be responsible for the activities of the Finance Committee;
- (d) Be responsible for the maintenance of permanent records of the Club's finances at the office of the Club;
- (e) Supervise the payment of all proper bills as the Board may direct;
- (f) 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; and
- (g) Perform such other duties as the Board 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 or electric funds transfer, unless otherwise ordered by the Board. Checks and electric funds transfers of over \$100.00 must be signed/approved by two authorized individuals designated by the Board. Checks and electric funds transfers of \$100.00 or less may be drawn by a single authorized individual authorized by the Board. For purposes of this Section, authorized individuals are the Commodore, the Vice Commodore, the Treasurer, and the Club Manager.

12. 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 VI, 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 5: REMOVAL**

Any officer of the Club may be removed by an affirmative vote of a majority of the Board, with or without cause.

#### **SECTION 6: OFFICERS AND AGENTS**

The Board may create other positions it deems necessary or expedient. Once a position is created, a person shall be appointed for a one (1) year term by the Commodore with the approval of a majority of the Board.

#### **SECTION 7: 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 VI: COMMITTEES**

### **SECTION 1: STANDING COMMITTEES**

1. The standing committees and the officer supervising each committee shall be as follows:
  - (a) Membership and Welcoming – Governor of Membership
  - (b) Finance – Treasurer;
  - (c) Clubhouse Operations – Vice Commodore;
  - (d) Social Activities – Rear Commodore of Socials;
  - (e) Architectural Advisory – Governor of Community Affairs;
  - (f) Yachting Activities – Fleet Captain;
  - (g) Canal and Waterfront – Commodore.
2. Each of the above committees shall have a minimum of three (3) members.

### **SECTION 2: OPERATION OF STANDING COMMITTEES**

1. All Members of standing committees shall be appointed by the Commodore, subject to confirmation by the Board, and shall hold a committee position 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.
2. 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. 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.
3. Committees may not be authorized to take action on behalf of the Club unless there are at least two Board members on the committee.

### **SECTION 3: MEMBERSHIP AND WELCOMING COMMITTEE**

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

- (a) Explain the structure of the Newport Yacht Club with respect to the Club's Articles of Incorporation, Bylaws, Board, and Committees;
  - (b) Offer pertinent local information;
  - (c) Encourage the new residents to become involved in Club Activities; and
  - (d) Most importantly, make them feel welcome and a part of Newport Shores.
2. The committee shall issue a roster of all Club Members.

#### **SECTION 4: FINANCE COMMITTEE**

1. The Finance Committee shall be responsible for all financial aspects of the Club.
2. The financial statements of the Club shall be audited at least annually by an independent certified public accountant selected by the Board. The requirement for an annual audit may be waived if sixty-seven percent (67%) of the votes cast by Members, in person or by proxy, at a meeting of the Club at which a quorum is present, vote each year to waive the audit.

#### **SECTION 5: CLUBHOUSE OPERATIONS COMMITTEES**

The Clubhouse Operations Committee shall be responsible for the management and general supervision of the Club facilities open to Active Resident Members and Associates, including the Clubhouse, swimming pool, and tennis courts, and the planning and recommending of expenditures, equipment, and improvements for Club facilities to the Board.

#### **SECTION 6: SOCIAL COMMITTEE**

1. 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.
2. 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.
3. All Members and Associates shall be invited to participate in the 4th of July celebration, the Commodore's Ball, and other functions that the Board may determine from time to time.

#### **SECTION 7: ARCHITECTURAL ADVISORY COMMITTEE**

1. The Architectural Advisory Committee (AAC) shall be responsible for reviewing issues pertaining to compliance with the CC&Rs in accordance with the AAC Policies and Procedures. Changes to AAC Policies and Procedures must be approved by the Board.
2. Minor compliance issues may be delegated to the Club's office staff but may be referred to the AAC for action.

3. The AAC is to carry out the necessary investigations and reviews, and then make recommendations to the Board for appropriate action.
4. The AAC shall provide all appropriate data and documents to the Club office for filing.
5. This committee shall report monthly to the Board of Governors regarding current conditions and recommendations, if any, for action. The AAC chair, or designated committee member, shall attend the regular Board meetings to present their recommendations and report.

#### **SECTION 8: YACHTING ACTIVITIES COMMITTEE**

1. The Yachting Activities Committee shall:
  - (a) Operate the moorage facilities and power-boating and sailing activities.
  - (b) With the approval of the Board, 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
  - (c) Review moorage licenses in accordance with these Bylaws.

#### **SECTION 9: CANAL AND WATERFRONT COMMITTEE**

1. Members of the Canal and Waterfront Committee must be residents of lots on the canal or waterfront. 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 about all business needs, technical concerns, governmental affairs and other associated subjects involving the canals and waterways associated with Newport Shores.
2. The Canal and Waterfront Committee shall advise the Board regarding the annual assessment budget for canal and waterfront milfoil treatment at least every five years and any other canal or waterfront issues, as approved by a vote of all canal and water front lot owners.
3. 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 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 Member shall have the power to spend Club funds or make commitments for their expenditures unless the Board authorizes the specific expenditure or commitment.

## **ARTICLE VII: YACHT OWNERS**

### **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 twelve (12) feet or more in length. Only Active Resident Members or Associates 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 VIII: INSPECTION OF RECORDS**

1. The Club shall keep financial and other records sufficiently detailed to enable the Club to fully declare to each Member the true statement of its financial status. With the exception of the records stated below, all financial and other records of the Club, including but not limited to the names and addresses of Members and other occupants of the lots, Associates, and Moorage Tenants shall be available for examination by Board members and Members at the offices of the Club or its managing agent. Members may be required to pay in advance for any costs incurred by the Club associated with providing access to the records and for any copies.

2. Records may be withheld from inspection and copying to the extent they concern:

- (a) Personnel and medical records relating to specific individuals;
- (b) Contracts, leases, and other commercial transactions to purchase or provide goods or services that are currently being negotiated;
- (c) Existing or potential litigation, mediation, arbitration, or administrative proceedings;

(d) Potential matters involving federal, state, or local administrative or other formal proceedings before a governmental tribunal for enforcement of the governing documents;

(e) Legal advice or communications that are otherwise protected by the attorney-client privilege or attorney work product doctrine, including communications with the managing agent or other agent of the Club;

(f) Information the disclosure of which would violate a court order or law;

(g) An executive session of the board;

(h) Individual Member files other than those of the requesting Member;

(i) Unlisted telephone numbers or electronic address of any Member or Resident;

(j) Security access information provided to the Club for emergency purposes; and

(k) Any other agreements that for good cause prohibit disclosure.

#### **ARTICLE IX: SEAL**

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 X: AMENDMENTS**

These Bylaws may be amended by the affirmative vote of fifty percent (50%) of Members at any annual meeting, special meeting called for that purpose, or by ballot without a meeting as provided in Article II, Section 7, Paragraph 2.

Date: \_\_\_\_\_

NEWPORT YACHT CLUB

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_