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# SANDY HOOK YACHT CLUB ESTATES

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APPROVED - JUNE 4, 2022



Table of Contents

BYLAWS.....3

**ARTICLE 1 – DEFINITIONS .....3**

**ARTICLE 2 – PURPOSE.....4**

**ARTICLE 3 – MEMBERSHIP .....4**

**ARTICLE 4 – TRUSTEES AND OFFICERS .....5**

**ARTICLE 5 – MEETINGS .....6**

**ARTICLE 6 – POWERS AND DUTIES OF TRUSTEES .....8**

**ARTICLE 7 – DUTIES OF OFFICERS.....8**

**ARTICLE 8 – VOTING AND BALLOTS .....9**

**ARTICLE 9 – NOTICE .....11**

**ARTICLE 10 – MEMBERSHIP AND TRANSFERS .....11**

**ARTICLE 11 – ASSESSMENTS AND BUDGETS.....12**

**ARTICLE 12 – PROPERTY RULES.....14**

**ARTICLE 13 – HARBOR RULES.....17**

**ARTICLE 14 – ENFORCEMENT .....18**

**ARTICLE 15 – AMENDMENTS .....20**

**ARTICLE 16 – CORPORATE SEAL .....20**

**ARTICLE 17 – DATE OF ADOPTION .....20**

**ARTICLE 18 – DISSOLUTION .....20**

# BYLAWS

## OF

### SANDY HOOK YACHT CLUB ESTATES, INC.

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#### *ARTICLE 1 – DEFINITIONS*

Section 1.1. **Definitions.** The following words shall have the following definitions when used in these Bylaws.

- 1.1.1 Assessments shall mean those Assessments and/or charges levied by the Board annually pursuant to a properly approved Budget.
- 1.1.2 Board shall mean the Corporation's Board of Trustees.
- 1.1.3 Budget shall mean an Annual Budget for the Corporation properly ratified and approved under Bylaw Section 11.2.
- 1.1.4 Bylaws shall mean the Corporation's Bylaws as they may be amended from time to time.
- 1.1.5 Corporation shall mean Sandy Hook Yacht Club Estates, Inc., a Washington State non-profit corporation.
- 1.1.6 General Assessments shall mean the total of Operating Assessments and Reserve Fund Assessments.
- 1.1.7 Levy Limitation shall mean the limitation on General Assessments specified in Bylaw Section 11.2.3.
- 1.1.8 Member or Membership shall mean a Member of or Membership in the Corporation as defined in Bylaw Article 3.
- 1.1.9 Notice shall have the meaning described in Bylaw Article 9.
- 1.1.10 Officer shall mean an officer of the Board.
- 1.1.11 Operating Assessments shall mean those Assessments levied by the Board to fund the annual costs of operating, maintaining, improving, and preserving the Corporation and its assets.
- 1.1.12 Reserve Fund Assessments shall mean those Assessments levied by the Board as a funded depreciation reserve to collect and hold funds in excess of Operating Assessments until they are required for the repair, replacement, or improvement of the Corporation's communal capital assets.
- 1.1.13 Special Assessments shall mean extraordinary Assessments levied in a fixed amount over a defined term and in specific installments to fund expenditures on the Corporation's capital and other long-term assets or projects for which financing would not prudently be available from other Corporation funds.
- 1.1.14 Super Majority shall mean sixty percent (60%) approval of the Members voting in person, by proxy or by absentee ballot at a properly constituted general or special meeting of the Members where a quorum is present.
- 1.1.15 Trustee shall mean a member of the Board.
- 1.1.16 Uniformity Requirement shall mean the requirement for the uniform Assessments prescribed in Bylaw Section 11.1.2.

- 1.1.17 Utility Assessments shall mean Assessments levied for the Water Utility or other utility created by a Super Majority.
- 1.1.18 Water Utility shall mean the Corporation's water utility system, including, without limitation: wells, pumps, storage facilities, delivery facilities, filtration systems, rights of way, pipes, fire prevention equipment and facilities, meters, monitors, and related equipment.
- 1.1.19 Plat shall mean the Plat, Plat Map and Dedication of Sandy Hook Yacht Club Estates, Inc. recorded May 25, 1960 under Island County Recording Number 399785.
- 1.1.20 Lot or lots shall mean the parcels of land identified by Block and Lot numbers in the Plat.
- 1.1.21 Sandy Hook shall mean the community development described in the Plat.

## **ARTICLE 2 – PURPOSE**

Section 2.1 This Corporation shall be conducted as a non-profit maintenance Corporation for the purpose set forth in the Articles of Incorporation for the property situated in the plat of Sandy Hook Yacht Club Estates in Island County, Washington.

Section 2.2 The Corporation shall have power to levy and collect Assessments against its Members and against the lots owned or purchased by them for the purposes in its Articles of Incorporation and Bylaws set forth, and to sell or forfeit their interest in the Corporation for default with respect to any lawful provisions of said Articles of Incorporation and Bylaws and upon forfeiture of any such property as by law and in the Bylaws provided, may transfer the Membership of such defaulting Member.

Section 2.3 The purposes for which this Corporation was created may be altered, modified, enlarged, or diminished by the vote of two-thirds (2/3) of the Members at a meeting duly called for such purpose. Notice of which meeting shall be given in the manner provided by the Bylaws for giving Notice for the election of Trustees.

## **ARTICLE 3 – MEMBERSHIP**

Section 3.1 The Membership of the Corporation shall consist of and be limited to owners or purchasers of lots in the area described in Article I of the Articles of Incorporation, who shall have one (1) Membership regardless of the number of lots so owned or purchased, and the interest of each Member shall be equal to that of any other Member, and no Member can acquire any interest which shall entitle him to any greater voice, vote, or authority in the Corporation than any one (1) Member. A purchaser under a real estate installment sale contract shall be deemed to be an owner for Membership purposes. If any lot or lots are held by two (2) or more persons, the several owners of such interest shall be entitled collectively to cast one (1) vote. A lot combined with an adjacent lot pursuant to an Island County lot adjustment shall be deemed when ascertaining voting and membership rights, and for no other purpose, to be absorbed into the adjacent lot, and the combined lot shall be treated as a single lot. Such treatment shall not alter the lot's designation as a separate lot for purposes of imposing Assessments or other charges against it or for any other purpose.

Section 3.2 A person shall be deemed an owner of a lot if that person holds more than a fifty percent (50%) direct or beneficial interest in the lot or in the entity that owns the lot. Lot

ownership shall be ascertained from the deed for that lot recorded in Island County. For lots owned by corporations, trusts, partnerships, joint tenancies, tenancies in common or other multiple owner arrangements, the lot representative must file with the Board secretary a written declaration stating the names and percentage ownerships of all parties with a direct or beneficial ownership interest in that lot. The filing of such declarations and updates shall be a condition precedent to the exercise of any membership rights or privileges associated with that lot.

Section 3.3 Except as hereinbefore otherwise provided and as declaratory of the foregoing, no Membership shall be voted unless represented by the owner or purchaser as aforementioned of an individual lot or lots to which it is and shall be inseparable appurtenant.

Section 3.4 Membership and certificates of Membership evidencing the same shall be inseparably appurtenant to lots owned by the Members, and upon transfer of ownership, or contract of sale, of any such lot, Membership or certificate of Membership shall ipso facto be deemed to be transferred to the contract purchaser. No Membership or certificate of Membership may be transferred, assigned or in any manner conveyed other than in the manner hereinbefore set forth. In the event of the death of a Member, the Membership and certificate of such Member shall be and become the property of the personal representative in a judicial proceeding and such personal representative shall have all the rights, privileges, and liabilities of the deceased Member until title shall be transferred or contracted to be transferred or contracted to be transferred.

Section 3.5 No Membership shall be forfeited, nor Member be expelled except upon foreclosure for non-payment of Assessments, and no Member may withdraw except upon transfer of title to the real property to which his or her Membership is appurtenant, as elsewhere herein provided. No compensation shall be paid by the Corporation upon any transfer of Membership and no Member whose Membership is transferred shall be entitled to share or participate in any of the property or assets of the Corporation.

#### ***ARTICLE 4 – TRUSTEES AND OFFICERS***

Section 4.1 Corporate powers of the Corporation shall be vested in a Board. The number of Trustees who shall manage the affairs of the Corporation shall be five (5). At any meeting or special meeting called therefore the Members may increase or decrease the number of Trustees to any number not more than eleven (11) or less than five (5).

Section 4.2 Trustees shall be elected to serve for two (2) years, or until their successors are elected and duly qualified. Each Trustee position shall be assigned a position number, and even-numbered positions shall be elected in even-numbered years, and odd-numbered positions shall be elected in odd-numbered years.

Section 4.3 Each Trustee shall be a Member who shall not have lost his or her right to vote by reason of having disposed of land to which his or her Membership is appurtenant.

Section 4.4 In the event a Trustee ceases to be the owner of the land to which his or her Membership is appurtenant, or of a contract for the purchase thereof, he shall thereby cease to be a Trustee and his or her office shall become vacant upon written notification without action other than to spread such fact upon the minutes of the Board.

Section 4.5 At the first meeting of the Board after each annual meeting of the Members, the Board shall elect a president, vice-president, secretary, and treasurer. The Board may also at any time appoint an executive secretary and/or assistant secretary and/or assistant secretary and/or assistant treasurer. Officers of the Corporation so elected shall hold office for the term of one (1) year and until their successors are qualified. Any Officer may be suspended or removed by a majority vote of the Trustees at a properly called Board meeting held no sooner than forty-eight (48) hours after Notice of the proposed action is delivered to the Officer subject to suspension or removal.

Section 4.6 No Trustee or Officer, except the executive secretary and/or the assistant treasurer shall receive any salary or compensation from the Corporation.

Section 4.7 A Trustee may be removed for cause by:

- 4.7.1 The unanimous vote of all remaining Trustees at a properly called Board meeting held no sooner than forty-eight (48) hours after Notice of the proposed action is delivered to the Trustee subject to removal. OR
- 4.7.2 By a majority vote of the Members in attendance in person, by proxy, or by absentee ballot at a properly called Membership meeting where a quorum is present. Such meeting may take place no earlier than fifteen (15) days after Notice of the meeting is delivered to all Members. At such meeting, the Trustee subject to removal shall be given a full and fair opportunity to be heard and defend against all accusations against him or her.
- 4.7.3 For cause in the context of removing a Trustee, shall mean:
  - 4.7.3.1 A breach of the Trustee's fiduciary duty to the Corporation;
  - 4.7.3.2 The willful infliction of physical or property harm on a Member, or a Member's property, or property of the Corporation;
  - 4.7.3.3 The repeated failure of the Trustee to fulfill his or her duties to the Corporation;
  - 4.7.3.4 Harassment by the Trustee of a Member or employee of the Corporation;
  - 4.7.3.5 The Trustee's conviction of a felonious crime;
  - 4.7.3.6 The Trustee's repeated violations of the Corporation's Code of Conduct.

Section 4.8 Any vacancy occurring in the Board shall be filled by appointment by a majority of remaining Trustees. The person so appointed shall hold office until the next regular meeting of the Members of the Corporation, at which annual or adjourned annual meeting the vacancies for the remainder of the original terms, if any, shall be filled by election by the Members in the regular manner.

Section 4.9 A quorum of the Board is present for the purposes of determining the validity of any action taken at a meeting of the Board only if a majority of Trustees is present at the time a vote is taken. If a quorum is present when a vote is taken, the affirmative vote of a majority of Trustees present is the act of the Board. Board Members may not vote by proxy or absentee ballot.

## **ARTICLE 5 – MEETINGS**

Section 5.1 Membership meetings.

- 5.1.1 Annual meetings of the Members of the Corporation shall be held at the principal place of business of the Corporation, or at a place designated by the Board or via

electronic conferencing methods. The annual meeting will be held on the first Saturday of June each year at 10am. Notice thereof shall be given to each Member not less than fifteen (15) days prior to the meeting date.

- 5.1.2 Special meetings of the Members may be called at any time by the president or a majority of Board, or by Members representing ten (10%) percent of the lots within the jurisdiction of the Corporation. Notice of special meeting, stating the object thereof, shall be given by the secretary to each Member not less than fifteen (15) days prior to the date on which such a meeting is to be held, unless an emergency dictates otherwise.
- 5.1.3 At all annual and special meetings of the Members, a quorum is present throughout any meeting if twenty percent (20%) of the Members of the Corporation:
  - 5.1.3.1 Are present in person or by proxy at the beginning of the meeting;
  - 5.1.3.2 Have voted by absentee ballot; or
  - 5.1.3.3 Are present by any combination of 5.1.3.1 and 5.1.3.2 of this Subsection.
- 5.1.4 The Corporation may conduct meetings by telephone, electronically, or other conferencing methods, and participation by Members in such meetings shall be considered in person attendance for all purposes.

#### Section 5.2 Board meetings.

- 5.2.1 The Board shall establish a schedule of regular meetings and post a notice of those meetings, indicating the dates, time, and location, at the electronic or physical community bulletin boards.
- 5.2.2 Special meetings of the Board may be called at any time by the secretary on order of the president or a majority of Board. The secretary shall give each Trustee Notice of all regular and special meetings at least forty-eight (48) hours previous thereto, unless an emergency dictates a shorter notice. Meeting notices shall be posted at the electronic or physical community bulletin boards. Attendance at a meeting by a Trustee shall constitute a waiver of any notice deficiencies for that meeting.

#### Section 5.3 The following requirements apply to meetings of the Board:

- 5.3.1 Meetings must be open to Members of the Corporation except during executive sessions, but the Board may expel or prohibit any person who, after warning by the president, disrupts the meeting. During any open meeting of the Board, the Board must provide a reasonable opportunity for attending Members to comment regarding matters affecting the Corporation. Board Members may not vote at a Board meeting by absentee or proxy ballot.
- 5.3.2 The Board may hold an executive session only during a Regular or special meeting of the Board. A final vote or action may not be taken during an executive session. An executive session may be held only to:
  - 5.3.2.1 Consult with the Corporation's attorney concerning legal matters;
  - 5.3.2.2 Discuss existing or potential litigation or mediation, arbitration, or administrative proceedings;
  - 5.3.2.3 Discuss existing or potential litigation or mediation, arbitration, or administrative proceedings;
  - 5.3.2.4 Discuss contracts, leases, or other commercial transactions to purchase or provide goods or services currently being negotiated, including the review of bids or proposals, if premature general knowledge of those matters would place the Corporation at a disadvantage; or

- 5.3.2.5 Prevent public knowledge of the matter to be discussed if the Board determines that public knowledge would violate the privacy of any person.
- 5.3.3 Trustees may participate in any meeting either in person, telephone, video, or other conferencing process, and participation by Trustees in such meetings shall be considered in person attendance for all purposes.
- 5.3.4 Except as may otherwise be provided by law, all meetings of Members and Trustees shall be governed by Roberts' Rules of Order.

#### **ARTICLE 6 – POWERS AND DUTIES OF TRUSTEES**

Section 6.1 Subject to limitation in the Articles of Incorporation and the Bylaws and the laws of the State of Washington, all power of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be controlled by the Board. Without prejudice to such general powers, and subject to the same limitations, it is hereby expressly declared that the Trustees shall have the following powers:

- 6.1.1 To select and remove all the other Officers, agents, and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation or the Bylaws, fix their compensation and require from them security for faithful service.
- 6.1.2 To conduct, manage, and control the affairs and business of the Corporation, and to make such rules and regulations therefore not inconsistent with law, with the Articles of Incorporation or by Bylaws, as they may deem best.
- 6.1.3 To issue Certificates of Membership only to owners or purchasers of lots in the plat of Sandy Hook Yacht Club Estates, subject to such conditions or terms as provided in the Articles of Incorporation and the Bylaws.
- 6.1.4 To charge and/or assess the several parcels of land and the owners thereof as hereinbefore more particularly set forth.
- 6.1.5 To cause and be kept a complete record of all minutes and acts and to present a full statement to the regular annual meeting of Members showing in detail the conditions of the affairs of the Corporation.
- 6.1.6 To appoint advisory committees comprised of Members. If the lot or lots from which the Membership is derived is owned by two (2) or more persons, jointly, as community property, in a partnership, trust, Corporation, or other collective form, only one (1) person representing that lot may serve as a voting Member on any specific advisory committee.

#### **ARTICLE 7 – DUTIES OF OFFICERS**

Section 7.1 President. The president shall preside at all meetings of the Trustees and Members; he or she shall sign as president all certificates of Membership and all contracts or other instruments in writing authorized by the Board; he or she shall call special meetings of the Trustees or of the Members whenever he or she deems necessary; he or she shall have and exercise, under the direction of the Board, the general supervision of the affairs of the Corporation.

Section 7.2 Vice President. The vice president shall preside at all meetings in the absence of the president, and in case of the absence or disability of the president, he or she shall perform all other duties of the president which are incidental to his or her



office.

Section 7.3 Secretary. The secretary shall issue all notices and shall attend and keep the minutes of all meeting; he or she shall have charge of all corporate books, records, and papers; he or she shall be the custodian of the corporate seal, shall attest his or her signature on and impress with the Corporate seal all written contracts of the Corporation, and shall perform all such other duties as are incidental to his or her office.

Section 7.4 Treasurer. The treasurer shall keep safely all moneys and securities of the Corporation and disburse the same under the direction of the Board. He or she shall cause to be deposited all funds of the Corporation in a bank selected by the Trustees. At each annual meeting of the Members, and at any time directed by the Trustees, the treasurer shall issue and present a full statement showing in detail the conditions of the affairs of the Corporation.

Section 7.5 The executive secretary and/or assistant secretary and/or assistant treasurer, if appointed by the Board, shall perform such duties as may be designated by it.

Section 7.6 Any Officer, other than the president, may occupy two (2) offices concurrently if the Board so directs.

#### **ARTICLE 8 – VOTING AND BALLOTS**

Section 8.1 Members may vote at a meeting or in person, by proxy pursuant to Section 8.4, or by absentee ballot pursuant to Section 8.5. At the Board's discretion and with appropriate safeguards to assure the validity, secrecy, and security of the election, Members may vote by paper ballot or electronically, or by a combination of such methods. The record date for determining Membership voting rights and all other rights associated with Corporate actions or proceedings shall be the date upon which Notice of those actions or proceedings is given.

Section 8.2 When a vote is conducted without a meeting, Members may vote by ballot pursuant to Section 8.6.

Section 8.3 At a meeting of the Members, the following requirements apply:

- 8.3.1 Member or their proxies who are present in person may vote by voice vote, show of hands, standing, written ballot, or any other method for determining the votes as designated by the person presiding at the meeting.
- 8.3.2 Unless a greater number or fraction of the votes is required by the Corporation's Articles of Incorporation or Bylaws, a majority of votes cast determines the outcome of any action of the Corporation.

Section 8.4. Except as provided otherwise in the Corporation's Articles of Incorporation or Bylaws, the following requirement apply with respect to proxy voting:

- 8.4.1 Votes may be cast pursuant to a directed or undirected proxy duly executed by a Member and demonstrating, in a verifiable manner, the ballot cast is by a Member having a right to do so.

- 8.4.2 A Member may revoke a proxy given pursuant to this Section only by actual Notice of revocation, by delivery of a subsequent proxy or voting in person. The death or disability of a Member does not revoke a proxy given the Member unless the person presiding over the meeting has actual Notice of the death or disability.
- 8.4.3 A proxy is void if it is not dated, signed, and accompanied by the Sandy Hook address and printed name of the Member executing the proxy or purports to be revocable without Notice.
- 8.4.4 Unless stated otherwise in the proxy, a proxy terminates eleven (11) months after its date of issuance.

Section 8.5 Whenever proposals or Trustees are to be voted upon at a meeting, a Member may vote by duly executed absentee ballot if:

- 8.5.1 The name of each candidate and the text of each proposal to be voted upon are set forth in writing accompanying or contained in the Notice of the meeting; and
- 8.5.2 A paper or electronic ballot is provided by the Corporation or its agent for such purpose.
- 8.5.3 The Corporation is able to verify that the ballot is cast by a Member having a right to do so.

Section 8.6 The Corporation may conduct a vote without a meeting if the following requirements are met:

- 8.6.1 The Corporation must notify the Members that the vote will be taken by ballot.
- 8.6.2 The Notice must state:
  - 8.6.2.1 The time and date by which a ballot must be delivered to the Corporation to be counted, which may not be fewer than thirty (30) days after the date of the Notice;
  - 8.6.2.2 The percent of votes necessary to meet the quorum requirements;
  - 8.6.2.3 The percent of votes necessary to approve each matter other than the election of Trustees;
  - 8.6.2.4 The time, date, and manner by which Members wishing to deliver information to all Members regarding the subject of the vote may do so.
- 8.6.3 The Corporation must deliver a ballot to every Member with Notice.
- 8.6.4 The Ballot must set forth each proposed action and provide an opportunity to vote for or against the action.
- 8.6.5 The Corporation shall, upon at least fifteen (15) days' Notice, conduct an informational meeting of the Members where the Board or its delegate makes a presentation of the proposed action. The informational meeting shall allow the presentation of opposing views, debate, and full discussion of the proposed action.
- 8.6.6 A ballot cast pursuant to this Section may be revoked only by actual Notice of revocation delivered and received by the Corporation prior to the date set forth in Subsection 8.6.2.1. The death or disability of a Member does not revoke a ballot unless the Corporation has actual Notice of the death or disability prior to the date set forth in Subsection 8.6.2.1.
- 8.6.7 Approval by ballot pursuant to this Subsection 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.
- 8.6.8 If the Corporation does not receive a sufficient number of votes to constitute a quorum or 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 Subsection 8.6.2. In that event, all votes previously cast on the proposal must be counted unless subsequently revoked as provided in this Subsection.

8.6.9 A ballot or revocation is not effective until received by the Corporation.

8.6.10 The Corporation must give Notice to Members of action taken pursuant to this Subsection within a reasonable time after the action is taken.

9.5.1 When an action is taken pursuant to this Subsection, a record of the action, including the ballots and a report of the persons appointed to tabulate such ballots, must be kept with the minutes of the Corporation's next meeting following the taking of such action.

### **ARTICLE 9 – NOTICE**

Section 9.1 Notice of any action taken pursuant to these Bylaws may be given by tangible medium or electronically.

Section 9.2 Notice provided in a tangible medium may be transmitted by mail, private carrier, or personal delivery; telegraph or teletype; or telephone, wire, or wireless equipment that transmits a facsimile of the Notice.

Section 9.3 Notice may be provided in an electronic transmission to Members who have consented to receive electronically transmitted notices.

Section 9.4 Each Member shall be responsible for providing the secretary of the Board a current address where notices to that Member may be delivered electronically or by tangible medium. Absent a Member election or designation otherwise, notices will be sent by tangible medium to the address where the Corporation's Annual Assessment Statements for that Member are sent. Notices, ballots, and other material sent to a Member as provided in this Section shall be deemed conclusively to have been delivered to that Member.

Section 9.5 Notice is effective as follows:

9.5.1 Notice provided in a tangible medium is effective as of the date of hand delivery, deposit with the carrier or when sent by fax;

9.5.2 Notice provided in an electronic transmission is effective as of the earlier of the date it:

9.5.2.1 Is electronically transmitted to the address, location or system designated by the Member for purposes of receiving notices from the Corporation; or

9.5.2.2 Has been posted on an electronic network and a separate record of the posting has been sent to the Member containing instructions regarding how to obtain access to the posting on the electronic network.

### **ARTICLE 10 – MEMBERSHIP AND TRANSFERS**

Section 10.1 All memberships and certificates evidencing same shall be inseparably appurtenant to the lot, lots, or fractional lot owned by the holder thereof and upon sale or contract to sell such

memberships and such certificates shall become the property of the grantee or purchaser as hereinbefore provided. No transfer of Membership shall entitle the transferee to vote the same until it has been established to the satisfaction of the secretary that such transfer is bona fide and has been made in the manner provided.

Section 10.2 Unless it is determined by the Board to issue certificates of Membership, it shall not be necessary that certificates of Membership be actually issued but any owner or purchaser of a lot or lots within the Corporation may exercise all the rights and privileges without the actual issuance and possession of such certificates of Membership.

## *ARTICLE 11 – ASSESSMENTS AND BUDGETS*

### Section 11.1 Assessments.

- 12.1.1 Levy and Liability. The Board shall levy Assessments in the manner prescribed in this Article, and Members and lots of land in which they have an interest shall be liable for the payment of such Assessments as may from time to time be fixed and levied by the Board pursuant to the Corporation's Articles of Incorporation and these Bylaws and subject to the provisions of said Articles and Bylaws.
- 11.1.2 Uniformity Requirement. All Assessments against Members or the land owned or being purchased by them shall be levied by the Board on an equal and equitable basis without distinction or preference of any kind.
- 11.1.3 Levy Limitation. The amount of the General Assessments levied upon a Member or the land owned or being purchased by him or her shall in no event increase in any one (1) year by more than the greater of five percent (5%) or the cost-of-living increase as published by the Federal Reserve Board (or its successor index) for each lot or lot owned. This Levy Limitation may be exceeded following approval of such an increase by a Super Majority, after which approval, the new General Assessment amount, as modified annually, shall be the multiplicand when calculating subsequent General Assessment increases. Annual Utility Assessments shall not be subject to the Levy Limitation.
- 11.1.4 Use of Assessments. All Assessments, when collected by the Corporation, shall remain the property of the Members until such time as the Assessments are expended properly pursuant to the Corporation's Articles of Incorporation and Bylaws. Operating Assessments shall be collected, maintained, and expended for the purpose of operation, maintenance, and improvement of the Corporation's communal assets. Reserve Fund Assessments shall be maintained as a funded depreciation reserve to collect and hold funds in excess of maintenance and operation expenses until they are required for the repair, replacement, or improvement of the Corporation's communal capital assets.
- 11.1.5 Special Assessments. Special Assessments must be approved by a Super Majority and are not subject to modification after such approval is procured, except to allow their early extinguishment. Prior to submitting a Special Assessment for Member approval, the Board shall, upon at least fifteen (15) days' Notice, conduct at least one (1) informational special meeting of the Members where the Board or its delegate makes a presentation of the purposes, needs, alternatives, costs, plan of payment of the capital asset or long-term improvement, and the amount, term, and installments of the proposed Special Assessment. The informational meeting shall allow the presentation of opposing views, debate, and full discussion of the proposed Special

Assessment. No action on the proposed Special Assessment may be taken at the informational meeting. Action to approve or reject the proposed Special Assessment may be taken by a vote without a meeting conducted pursuant to Bylaw Section 8.6 or at an annual or special meeting of the Members conducted no earlier than fifteen (15) days after the informational meeting for that proposed Special Assessment. A Special Assessment must be approved by a Super Majority.

- 11.1.6 Payment of Assessments. Assessments are due thirty (30) days after the dated date of the Notice of payment delivered to the obligated Member. The Board may authorize payment of Assessments in periodic installments. The failure by a Member to make an installment payment in full and when due shall cause the remainder of that Member's unpaid Assessment installments to become immediately due and payable. In addition to any other requirements imposed by the Board, such as payment of interest, the making of automatic deposits or the like, any such installment payment program must require full payment of the entire Assessment withing thirteen (13) months after the dated date of the Notice of payment. Payments not made when due shall become delinquent and accrue a one-and-a-half percent (1.5%) monthly penalty fee from the date of delinquency. The amount of each Assessment, together with all expenses, penalties, attorneys' fees, and costs reasonably incurred in enforcing the same shall be paid by the Members and shall be a lien upon said land and the Membership appurtenant thereto, superior to any and all other liens created or permitted by the owner of such lands and enforceable by foreclosure proceedings in the manner provided by law for foreclosure of mortgage upon land; provided, that no proceedings for the foreclosure of any of said liens in this Article shall be commenced except upon the expiration of four (4) months after the payment became delinquent.

## Section 11.2 Budgets

- 11.2.1 Annual Budgets. Each year, the Board shall adopt a proposed Budget for the Corporation's subsequent fiscal year at a regular or special Board meeting held not less than one (1) month prior to the Corporation's annual meeting. Such proposed Budget shall conform to the Uniformity and Levy Lid Requirements.
- 11.2.2 Notice of Proposed Budget. The Board shall provide a copy of the proposed Budget to all Members not less than fifteen (15) days prior to the Corporation's annual meeting.
- 11.2.3 Ratification and Approval.
- 11.2.3.1 Budgets conforming to the Uniformity Requirement, not exceeding the Levy Limitation, and not proposing a Special Assessment shall be ratified unless at the annual meeting a majority of Members rejects the Budget, whether or not a quorum is present.
- 11.2.3.2 Budgets proposing Amendments that exceed the Levy Limitation or include a Special Assessment shall not be deemed ratified or approved unless the component of the Budget requiring Super Majority approval receives such approval at a meeting where a quorum is present. Should the element of the Budget requiring Super Majority approval fail to receive such approval, the remainder of the Budget nonetheless shall be ratified unless a majority of Members rejects that portion of the Budget as well.
- 11.2.3.3 If the proposed Budget is rejected or the required Notice is not given, the Annual Budget last ratified by the Members shall continue until the Members ratify and approve a subsequent Budget proposed pursuant to the same procedures required for the submission of Annual Budgets, except

- subsequent Budget may be approved at a special meeting of the Members.
- 11.2.4 Required Elements. The Budget must include the following:
- 11.2.3.1 Categories for: General Assessments (including subcategories for Operating Assessments and Reserve Fund Assessments); Special Assessments; Utility Assessments; the Dock Fund; and any additional funds, with appropriate subcategories;
  - 11.2.3.2 The amount of the Assessments per unit by category;
  - 11.2.3.3 The projected income to the Corporation for each category;
  - 11.2.3.4 The projected expenses of the Corporation for each category;
  - 11.2.3.5 The date the Assessments are due;
  - 11.2.3.6 A statement of whether the Corporation 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,
  - 11.2.3.7 The current deficiency or surplus in reserve funding expressed on a per lot basis.

## *ARTICLE 12 – PROPERTY RULES*

### Section 12.1 Use Restrictions and Reservations

- 12.1.1 All lots and tracts in the Plat of Sandy Hook Yacht Club Estates, Inc., except those owned by the Corporation, are restricted and shall be used exclusively for residential purposes regardless of how they are designated in the Plat.
- 12.1.2 The only type of residences that may be constructed within the Plat are single-family residences. No duplexes, triplexes, multi-family, or other multiple dwelling structures may be built or located within the Plat.
- 12.1.3 A single family residence shall mean a wholly enclosed dwelling unit designed to accommodate a single family and containing a kitchen, at least one bathroom and living space. Permanent attached or detached appurtenances such as garages and tool sheds shall be permitted so long as they do not contain a kitchen or are used as a stand-alone dwelling unit. Landscaping, fences, rockeries, and other improvements common to single family dwellings and conforming to these Bylaws also may be located on an improved lot.
- 12.1.4 No other structure of a permanent or temporary character, including but not limited to house trailers, basements, mobile homes, tents, shacks, garages, barns or other outbuildings, may be used or located on a lot at any time, other than during the period of construction on the lot of a single-family residence. However, a single storage shed may be located on an undeveloped lot so long as it: does not interfere with the lot's future residential development; is located no closer than twenty (20) feet from the margin or any street or road; is set back at least five (5) feet from all other property lines; is no more than ten (10) feet high and one hundred twenty (120) square feet in floor area; is located, constructed and maintained in a manner harmonious with the neighboring residences; is fully enclosed and secured with substantial locks on all openings; and is not used at any time as a residence; boat trailers and their trailered boats may be located on developed or undeveloped lots so long as they comply with Bylaw Section 12.4; and recreational tents may be located on developed or undeveloped lots so long as they are not occupied for periods exceeding seven (7) consecutive days and thirty (30) cumulative days each calendar year.
- 12.1.5 Improved and unimproved lots shall be maintained in a reasonable condition.

Improved lots shall be mowed and weeded regularly, and all lots shall be kept free of Class A noxious weeds, as specified by the Washington State Noxious Weed Board (<https://nwcb.wa.gov/>). The Sandy Hook Board shall have the right upon receiving a written complaint, after reasonable notice to the owner and being unable to resolve the issue, to enter upon any lot that is vacant or unplanted or untenanted to maintain the property in reasonably presentable condition without the owner's permission and to impose the cost of that maintenance as lien and charge against the owner's lot.

- 12.1.6 No privately owned lot may be used for commercial purposes. Members may conduct in-home businesses so long as those businesses are wholly confined to the interior of their homes and do not involve on-site customer, client or patient sales or services or use excessive commercial shipping.
- 12.1.7 Long term and short-term rentals of dwellings shall be allowed so long as the rental activity does not interfere with or diminish the fundamental residential nature of Sandy Hook. The Board shall have the power to regulate long term and short-term rentals, including the power to prohibit such activities, if such rental activity or the behavior of tenants significantly diminishes the residential nature of Sandy Hook or the quality of life enjoyed by Members.

#### Section 12.2 Construction Rules

- 12.2.1 No exterior construction, reconstruction or remodeling of a structure within the Plat requiring an Island County building or other governmental permit may commence without prior approval by the Board. All plans for any such improvement shall be submitted to the Architectural Committee of the Board prior to any application for any governmental permit.
- 12.2.2 No permanent structure or building shall be constructed on any lot, or parcel of the Plat closer than twenty (20) feet to the Plat dedicated margin of any street or road.
- 12.2.3 No lot, tract, or parcel of the Plat shall be divided and sold or resold or ownership changed or transferred whereby the ownership of any portion of the Plat shall be less than 7,500 square feet or less than sixty (60) feet in width at its narrowest part.
- 12.2.4 Construction on any lot shall require a building permit and a sewage disposal permit prior to the commencement of work, and each dwelling shall have a septic tank for sewage disposal.
- 12.2.5 All dwellings and other permitted structures shall have the exterior finished within one (1) year after the beginning of construction.
- 12.2.6 Each dwelling shall have a minimum of 1000 square feet of living space.
- 12.2.7 All buildings within the plat shall be assembled on the site and the exteriors thereof shall be wood, brick masonry, stucco, stone, and other materials as are customarily used in the Pacific Northwest on the exteriors of residences assembled at the site. The exterior design of such buildings shall be harmonious with the site and the remainder of the community. Prefabricated buildings, other than mobile homes or similar movable structures, the components of which are assembled on the site, and are of harmonious design, also may be located on a lot.
- 12.2.8 No permanent or temporary structure, vehicle, boat or other object located on any lot may be more than fourteen (14) feet in height measured from its highest point along a line perpendicular to a plane created by the extension of the highest point at which the natural contour of the immediately adjacent ground comes in contact with such structure, vehicle, boat or other object. Chimneys extending no more than two (2) feet above the roof line of a dwelling unit or appurtenant building and no more than

three (3) feet in width; unobtrusive antennas or other receivers extending no more than four (4) feet above the roof line of a dwelling unit or appurtenant building; and unobtrusive weathervanes extending no more than three (3) feet above the roof line of a dwelling unit or appurtenant building may extend beyond the fourteen (14) foot height limit for that dwelling unit or appurtenant building. Homes with extensions exceeding the foregoing limitations in place on June 4, 2022 shall be allowed to maintain those extensions. In the case of dwellings to be constructed on combined lots, the dwelling must conform to the fourteen (14) foot height limitation for each lot.

- 12.2.9 Solar panels shall conform to the following requirements: they must be attached to a dwelling unit; the height of solar panels shall be included in the height of any residence when determining the fourteen (14) foot residential dwelling height restriction; they shall be coated with anti-reflective materials and positioned to reduce to the extent technologically possible reflected light into the windows of neighboring homes; and plans for solar panel installation shall be submitted to the Architectural Committee for its and the Board's prior approval. Such plans shall include, at a minimum, a schematic drawing of the installed solar panels with elevation lines and a rendering of the glare reflection lines.
- 12.2.10 No trees except original growth trees on the property at the time of this plat recording shall be allowed to grow to a height of more than fourteen (14) feet.
- 12.2.11 Fences and hedges shall not exceed a height of six (6) feet and shall not be located within the Plat street margins.
- 12.2.12 Driveway culverts shall be fifteen (15) feet or more in length with a minimum twelve (12) inch inside diameter.
- 12.2.13 A water meter, shut-off valve, water valve box, and cover shall be installed at the time of water hook-up to the community water system. Each dwelling shall have an accessible and clearly identified second water shut-off valve located in or near the dwelling.
- 12.2.14 Each property owner building a single-family residence shall install underground wiring from the power source to the residence.
- 12.2.15 Each property owner making an improvement or clearing property shall sow grass, clover, or other ground cover to prevent growth of invasive weeds.

### Section 12.3 Variances

- 12.3.1 Height variances from the fourteen (14) foot limit may be granted pursuant to the Board variance rules and procedures. Those rules and procedures shall permit variances so long as the proposed structures will not unreasonably impair the primary views in the community. Primary views shall mean those views that would be enjoyed by a lot if all dwellings in the Plat were limited to fourteen (14) feet in height.
- 12.3.2 Upon application therefor, the Board may grant variances from all other restrictions contained in this Article. When considering whether to grant a variance request made under this section, the Board shall take into account the Plat's general plan of residential development, the marina nature of the community and the rights, limitations and restrictions contained in the Plat, or the Corporation's Articles of Incorporation, Bylaws and Rules and Regulations in an attempt reach a fair, reasonable and consistent response to the variance application.



#### Section 12.4 Vehicles

- 12.4.1 All vehicles, including, but not limited to motor vehicles, mobile homes, recreational vehicles, and trailered boats shall be parked in their entirety off the Corporation's paved streets and roadways; shall not be more than fourteen (14) feet high; shall not be used on any lot at any time as a residence except during the period of a dwelling's construction; and shall not be used for temporary occupancy exceeding seven (7) consecutive days and thirty (30) cumulative days each calendar year.
- 12.4.2 No motor vehicle, trailer or boat/trailer of any type shall be stored outdoors if it: a) has not been operating for six (6) months; b) Is damaged to the point where it is inoperable in its present condition; c) does not have a current, valid license plate and tab; and d) has a current fair market value less than its scrap metal value.

#### Section 12.6 Behavior

- 12.6.1 Members and their families and guests shall not engage in behavior that is illegal or violative of the Corporation's rules and regulations. Members must endeavor to maintain harmony in the community and avoid engaging in actions or activities that would interfere with the reasonable enjoyment of the community by other Members. Members are encouraged to comply voluntarily with the provisions of this Article. While Members should report all illegal activities to the proper authorities, Members having a dispute with other Members regarding any of the Corporation's rules or regulations or otherwise are encouraged to resolve their dispute in a peaceful and friendly manner. Failing a mutual resolution of the dispute, the aggrieved Member may refer the dispute in writing to the President of the Board for Board resolution under Bylaw Article 14. As provided in that Article, the Board also may independently initiate enforcement actions.
- 12.6.2 Animals including, but not limited to fowl, shall not be raised, or kept upon any property or any part thereof except domestic dogs or cats not exceeding two (2) in number. No dogs or cats may be kept for breeding or commercial purposes. Accidental litters may be kept on the premises of the owner for a period of not to exceed ninety (90) days. Owners shall be responsible for any injuries, damage or litter caused or created by their animals. Dogs and cats may not run at large in Sandy Hook, and all dogs outside the boundaries of their owners' lots shall be on leash, except dogs being exercised in Gould Park or running on the west spit beaches. Dogs being exercised in Gould Park shall be under strict voice control and shall not be off leash while others are enjoying the Park. The owners of dogs running on the west spit beaches shall prevent their dogs from harming the property of others or interfering with the use and enjoyment of west spit beaches by their owners. Dog owners shall curtail their dog's use of any private beach if requested to do so by the owner of the beach.

### **ARTICLE 13 – HARBOR RULES**

Preamble. It is the intent of this Article to protect and maintain the harbor for the pleasure and use of its Members.

Section 13.1 A Harbor Master shall be appointed by the Board. The Harbor Master's duties shall

include monitoring all boats using the harbor and their observance of the harbor rules. Serious or repeated violations shall be reported to the Board who may take whatever action deemed necessary to assure a safe and enjoyable harbor.

Section 13.1 A Harbor Master shall be appointed by the Board. The Harbor Master's duties shall include monitoring all boats using the harbor and their observance of the harbor rules.

Section 13.2 Decals and Stickers: (A) For the protection of moorage spaces and vessels, numbered stickers will be issued and shall be displayed on all boats moored at the community docks; (B) To protect parking space, numbered stickers will be issued for all Members' boat trailers and shall be displayed while they are in the community boat launch area.

Section 13.3 The Corporation has authority over the community-owned channel.

Section 13.4 No commercial activity will be permitted in the inner channel or harbor.

Section 13.5 Waste or other contaminants (oil, lawn clippings, yard waste, etc.) shall not be discharged in the harbor or channel.

Section 13.6 Guests are limited at the Community Guest Dock facility to a maximum of forty-eight (48) hours. Boats at the community guest dock may not be over twenty-eight (28) feet in length unless otherwise posted at the location. The guest dock reservation book is located at the west dock.

Section 13.7 Crab pots, floats, and lines shall be kept out of the boating channel.

Section 13.8 Water skiing, jet skiing, and wind surfing shall be done outside the boating channel. Channel use is limited to gaining access to the shore or outer harbor.

Section 13.9 Boats shall proceed with "no wake" between channel marker twenty (20) and the southern-most end of the inner channel.

Section 13.10 Boats moored at community docks, or using the marina, harbor, or facilities shall be required to carry appropriate liability insurance.

Section 13.11 No boat houses or docks shall be permitted within the forty (40) foot boat channel. All boat houses and docks shall be positioned as to allow egress and ingress to all adjoining properties. Boats tied to the boat houses or docks shall not infringe on the forty (40) foot boat channel or neighbors' egress and ingress.

Section 13.12. Serious or repeated violations shall be reported to the Board who may take whatever action deemed necessary to assure a safe and enjoyable harbor.

#### **ARTICLE 14 – ENFORCEMENT**

Section 14.1 It is the responsibility of each Member to know the terms and provisions of the

Articles of Incorporation, Bylaws, and Rules and Regulations of the Corporation. Each Member is responsible for advising tenants or guests of the Member of any provision of Bylaws, or Rules and Regulations which apply to them. Members shall also comply with all statutes, ordinances, and requirements of all county, state, and federal authorities now in force or which may hereafter be in force, pertaining to the use of the property.

Section 14.2 Each Member, tenant or occupant of a lot shall comply with the provisions of the Articles of Incorporation, Bylaws, and Rules and Regulations of the Corporation, as they may be amended from time to time, and with all decisions made by the Board. Failure to comply shall be grounds for an action by the Board to recover sums due, damages, or injunctive relief, or any or all of them.

Section 14.3 The Board may give written Notice of the violation and state a reasonable period of time for correcting the violation. If the violation is not corrected within the time stated, the Board may itself make the correction, and any costs incurred in connection therewith shall be imposed on the Member and be invoiced for payment the month following the correction. Payment of such costs shall be enforced in the same manner as is provided for the enforcement of Assessment payments.

Section 14.4 Prior to taking any enforcement action (other than the initial Notice of violation), the Board will give the Member involved Notice and an opportunity to be heard as follows:

- 14.4.1 The Board will give the offending Member written Notice of a hearing before the Board or a specially appointed committee or representative appointed by the Board regarding the proposed action. The Notice shall include:
  - 14.4.1.1 Statement of the offense;
  - 14.4.1.2 The proposed action;
  - 14.4.1.3 The date, time, and place of the hearing;
  - 14.4.1.4 Whether testimony of the Member must be oral, written, or both.
- 14.4.2 The date of the hearing shall be at least five (5) days after Notice is delivered. At the hearing:
  - 14.4.2.1 The affected Member shall have the right to give testimony as outlined in the Notice, subject to reasonable rules of procedure established by the Board to assure a prompt and orderly resolution of the issue at hand;
  - 14.4.2.2 Evidence presented at the hearing shall be considered in making the decision regarding enforcement action;
  - 14.4.2.3 The affected Member shall be notified of the decisions in the same manner in which Notice of the meeting was given.

Section 14.5 In addition, the Board can take any other legal action appropriate or remedy or penalize a violation of these Rules or the Bylaws. In enforcing these rules, the Board may delegate its function(s), including the determination of whether a violation has occurred, and the remedy therefore, to an agent, including but not limited to a single, or group of Trustees.

Section 14.6 Members shall be financially responsible for all damages made by their tenants, invitees, or guests and for any fines imposed as the result of conduct on the part of their tenants, guests, or invitees.

#### ***ARTICLE 15 – AMENDMENTS***

Section 15.1 These Bylaws may be amended at any annual or special meeting of Members, provided written Notice of the proposed amendment is given with the Notice of the call of the meeting, by a vote of sixty percent (60%) of the Members of the Corporation voting on the amendment in person, by proxy or by absentee ballot.

#### ***ARTICLE 16 – CORPORATE SEAL***

Section 16.1 The seal of the Corporation shall be in circular form and shall contain the words "SANDY HOOK YACHT CLUB ESTATES, INC.", and the words "Corporate Seal Washington 1960" in the form and style as affixed in these Bylaws by the impression of said corporate seal.

#### ***ARTICLE 17 – DATE OF ADOPTION***

Section 17.1 These Bylaws were duly adopted by the Corporation and the corporate seal thereof affixed on the 8th day of June 1960. They were duly amended and restated on the 5th day of June 2021.

#### ***ARTICLE 18 – DISSOLUTION***

Section 18.1 In the event of the dissolution of the Corporation each person who is then a Member shall receive his or her pro rata proportion of the property and assets after all its debts have been paid.