

By-Laws (Latest changes approved by ballot count on 01/07/2023)

ARTICLE I

NAME

The corporate name of this club is the “Lake Chelan Yacht Club” and its home port and place of business is the Club House, Hollywood Beach, Lake Chelan, Washington.

ARTICLE II

PURPOSE

The Club is incorporated for the purpose of promoting social functions, to acquire land for the benefit of its members, to encourage safe yachting and boating, to promote sport fishing and fish enhancements, to work in the interest of better and safer navigation, to foster the construction of more and better docking facilities and to promote regattas.

ARTICLE III

MEMBERSHIP

Section 1. Eligibility

Membership in the Lake Chelan Yacht Club shall be limited to a total of 235 regular members. Subject to such limitation, membership shall be open to all acceptable individuals and couples (married couples or registered domestic partners), age twenty-one (21) or over, expressing a desire to further the purpose of this Club. When a couple seeks to become a member, either of the spouses/registered domestic partners must be age twenty-one (21) or over.

Section 2. Class of Membership

- A. *Regular*. Regular members pay full initiation fees and annual membership dues and are entitled to all privileges of the club, including voting and holding office.
- B. *Family*. Family membership will be available only when the regular membership totals 210 or more. Family memberships will be available to sons and daughters of regular members, who are twenty-one (21) years of age or older and otherwise meet the requirements for regular membership. Family members are entitled to all privileges of the club except voting, holding office, and entering into moorage, resident area or camper area user agreements. Annual dues for family membership shall be equal to annual dues for regular membership. There is no initiation fee for Family memberships. Family membership is conditional upon a parent maintaining regular membership.
- C. *Social*. Social membership entitles a member to attend social functions and club events and use of House and Grounds areas, including the clubhouse, lawn areas and swim area. Social membership does not entitle a social member to vote, hold office, enter into leases or user agreements, or to use moorage, resident area (villa) or camper areas, other than as a guest of the regular member, who must be present. Social memberships shall be in addition to regular and family memberships. Social members pay full initiation fees.
- D. *Life*. Past Commodores, with two-thirds approval of the Board of Trustees, are entitled to Life Membership by paying ten (10) times the annual membership dues based on the value of the membership dues on the year application and payment are made, and thereafter become exempt from the payment of LCYC annual dues. Beginning January 2026, application for Life Membership may not be submitted until after the Past Commodore’s year as the Immediate Past Commodore and after he/she has fulfilled all Commodore and Immediate Past Commodore duties. There shall be no refund of Life Membership dues regardless of circumstance. In exception to all other board action, this vote shall be by secret ballot. In order to apply for Life Membership, a past commodore must have maintained continuous regular LCYC membership since his/her year of service as commodore. Life members shall have all privileges of the Club, including voting and holding office. Whenever “Regular” is written in these by-laws, it shall include Life members, except when referring to annual dues payments. Life members will not be counted in the total number of regular memberships for the purposes of membership cap.
- E. *Honorary*. Honorary members shall be limited to five (5) and shall be elected by unanimous recommendation of the Board of Trustees and by unanimous vote of the Regular members present at any monthly meeting. Such members shall have all privileges of the Club, except voting, holding office, or entering into lease agreements. Honorary members will not be current Regular, Life, Family or Social members. Honorary memberships will be given to persons who have supported the club or who have provided a service to the club, or who have supported one of more of the Club’s stated purposes, in an outstanding manner. As of 01/01/2020, no new Honorary members will be elected.

- F. Resident. Resident memberships shall be available as set forth in ARTICLE XVI of these By-laws.
- G. Special Resident Regular Member. When Regular Membership is full, and a Resident Member wishes to sell his/her lot improvements to a non-regular member, following use of the Resident Area Waiting List when required, and following the required period of advertisement to existing club members, the non-regular member may join as described in section 3 below, as a Special Resident Regular Member (SRRM). SRRMs shall have all privileges of the club, including voting and holding office. Whenever "Regular" is written in these by-laws, it shall include SRRMs. This new SRRM shall be placed on the Regular Membership Waiting List, and since their membership dues and initiation fees will have already been paid when becoming a SRRM, when their name(s) arrive at the top of the Waiting List, they shall automatically be transferred to the Regular Membership List.

Section 3. Application / Selection for Regular, Family & Social Memberships

- A. Application for membership must be upon recommendation of two (2) regular members in good standing. All applicants shall be referred to the membership chairperson for investigation and determination of acceptability to the club.
- B. Before becoming a member, the membership chairperson will require applicants:
1. Pay annual dues & initiation fees, and
 2. Ensure the applicant(s) have read and agree to abide by the Lake Chelan Yacht Club by-laws and rules. Before being presented for membership at a monthly meeting, applicants will be provided with a copy of the current by-laws and all rules and given time to read and ask questions. They then must provide a signed statement that they have read and understand the by-laws and rules of the club.
 3. All applicants shall be presented in person at a monthly meeting prior to their acceptance.

C. Approval for Membership:

All applicants will be introduced at a regular monthly meeting by at least one of the two sponsors. Following their introduction they will leave the meeting room for any open discussion on their acceptability. While applicants are still out of the meeting room, following any discussion, a vote will be held of the regular members in attendance. A two-thirds (2/3rds) affirmative vote by secret ballot will be necessary for approval of club membership. The applicant(s) will be notified after the vote of their acceptance or decline by the Membership chairperson, and if accepted, will be invited to rejoin the meeting. All newly accepted Regular or Family members will receive a LCYC pennant.

Section 4. Couples (Married or Registered Domestic Partnerships)

- A. When a couple applies for Regular membership, or a current member marries or takes a registered domestic partner, both individuals are entitled to all rights and privileges of the Club, except:
1. Each couple is entitled to only one vote at any monthly or special meeting when authorized by these by-laws.
 2. Either spouse / registered domestic partner may vote, but both may not vote at the same meeting.
 3. Only one (1) spouse / registered domestic partner may hold office at any given time, but either spouse / registered domestic partner may be an office holder.
- B. In the event of divorce, dissolution or separation, at the end of their current dues period, the couple must notify the Secretary which spouse / registered domestic partner shall retain membership. The other spouse / registered domestic partner may apply for membership under ARTICLE III with the initiation fee waived. If no notification is received the membership will be terminated.

Section 5. Dependents

The term "dependents" shall mean all children or step-children of a regular member under the age of twenty-one (21). All dependents shall have the use of all club facilities under the parent's general supervision. The member parent(s) shall maintain responsibility for the dependent(s) even when the member parent(s) is/are off club property. When a dependent reaches the age of twenty-one (21) the dependent shall lose all rights and privileges of the club, including use of the parent's leased lot / space without the parent(s) being present, unless the dependent applies for and is accepted as a family or regular member.

Section 6. Waiting Lists

Two (2) waiting lists for applicants seeking to become regular members shall be established when membership is full. One list shall consist of family members, and the other shall consist of other applicants seeking to become regular members.

- A. *Family Membership Waiting List.* All family memberships will be placed on a waiting list to become regular members. Family members will be placed on the list and eligible for membership in the order they obtained family membership.
- B. *Regular Membership Waiting List.* All applicants for regular membership shall be placed on the regular waiting list. Applications will be numbered and dated when received, and applicants will be eligible for membership in the order the applications are received.
- C. *Selection.* Applicants eligible for regular membership shall be selected from the two waiting lists on an alternating (1 to 1) basis, beginning with the family membership waiting list.
- D. *Notification.* The Membership Committee shall notify each applicant prior to the monthly meeting that their application will be voted on and the initiation fee and the annual dues, according to Article 4, Section 4 (for non-family members) will be due and payable prior to the vote.
- E. *Removal From Regular Waiting List.* If an applicant from the regular waiting list is not accepted for membership, or withdraws from consideration, the applicant's name will be removed from the waiting list.
- F. *Removal From Family Waiting List.* If an applicant from the family membership waiting list is not accepted for regular membership, the applicant's name shall be removed from the family member waiting list and the applicant's family membership shall be terminated. If any applicant from the family member waiting list withdraws from consideration for regular membership, the applicant's name shall be placed at the bottom of the family member waiting list.

Section 7. Responsibility for Guests, Dependents and Animals/Pets

- A. Members of the club are responsible at all times for their actions and the actions of their guests, dependents and animals/pets while on club property. This responsibility covers general behavior and prohibiting any illegal drug use or consumption by any minors of alcoholic beverages on club property. Failure to observe this responsibility may be grounds for expulsion and/or membership termination.
- B. No member, dependant or guest will smoke or otherwise use marijuana in any common area on LCYC property.

Section 8. Termination of Membership

Reasons for membership termination may include, but may not be limited to:

- A. Serious or repeated 'Conduct Unbecoming of a Member', violent activity or serious violations of Washington State law, whether or not formal charges are filed.
- B. Failure to pay annual dues.
- C. By letter of resignation to the board. This letter shall be maintained in an archive resignation file and attached to monthly meeting minutes.
- D. The Membership may expel any member who has failed to comply with the provisions of the club, has deceived the club or any committee thereof, or who has violated paragraph A or B above, but no member shall be expelled (other than for non-payment of annual dues) until the member has been informed in writing of the charges against him/her, and an opportunity has been given, after reasonable notice, for the member to be heard at a monthly or special meeting.
 - 1. The initiation of termination action may be by the Board of Trustees, or by the Board after ten (10) members have petitioned the commodore to place the action on the monthly meeting agenda for board action. The Board will vote whether or not to place the termination question for a membership vote.
 - 2. A two-thirds (2/3) vote of the regular members at any monthly or special meeting shall be required to expel a member. Notice of this meeting and purpose shall be published in the monthly newsletter or by special mailing.
 - 3. In an emergency situation pending the published meeting to expel a member, the Board of Trustees has the authority to temporarily suspend any membership.
 - 4. Any member who is automatically dropped from membership, is expelled or who is temporarily suspended, shall lose all rights and privileges of this club and all interest in the club's property, if any, and its activities.

ARTICLE IV

CLUB MEMBERSHIP DUES / FEES / ASSESSMENTS / FINES

Section 1. Assessments: If the Board of Trustees votes to approve an assessment, a ballot shall be made available to all regular members stating the purpose and including the exact dollar amount sought and the payment schedule with the beginning and ending periods. See Article V, Section 8, for Voting Procedures. This ballot may include, at the discretion of the board, assessments on Social and/or Family memberships. Life Members, who qualified to obtain life membership prior to January 1, 2020, will be billed any approved assessments as a request for donation, but will not be required to pay assessments to remain Life

Members. Life Members who qualify to obtain life membership after January 1, 2020, will be subject to assessments at the same rate as Regular Members.

Section 2. Annual Dues / Increases: Other than by a club regular membership vote to raise club membership Annual Dues for a specific amount (by motion), annual dues will increase each year by the June all-cities CPI. Any proposed increases in the membership annual dues other than using the CPI, shall be by a two-thirds (2/3rds) approval of the regular members present at a monthly meeting, after the intent to seek the annual dues increase has been posted in at least two (2) monthly newsletters or special mailings.

Section 3. Annual Dues / Due Dates / Late Fees: Dues are due and payable on March 1st of each year. Bills will be mailed in January. If approved by the Board of Trustees at the Annual meeting prior to billing, invoices/billing statements may be sent to all members utilizing the members' email addresses registered with the club, in lieu of USPS mailing. If the club has a system in place stated in the emailed billing statement, dues and fees may be paid with a credit card through a stated website. Postal payments post-marked by the due date will be accepted as being on time. Website payments will be accepted if made on or before the due date. In late February, a list of the members' names whose annual dues payments have not yet been received by the club treasurer will be given to the commodore. The Commodore, and/or members of the Board of Trustees, will attempt to make phone or e-mail contact with each member on the list for an annual dues payment reminder. If not paid by March 1, annual dues are delinquent and the member will be charged a \$250.00 late fee, and given until March 15th to pay the annual dues and late fee. If the annual dues and late fee are not paid in full by March 15th, the member will be automatically dropped (expelled) from membership. To regain membership any member who has been dropped (expelled) must submit a new application for club membership, and pay initiation fees.

Section 4. New Members: Any new Regular Member applicants shall pay full initiation fees prior to membership approval. After October 1st annual membership dues shall be prorated to 1/12th for each month remaining in the calendar year. New Social Members pay lower annual membership dues than do Regular members, and they pay the full initiation fees charged to new Regular members. New Family members pay the same annual dues as Regular members, and do not pay initiation fees until such time as they are set to become Regular members.

Section 5. Types of Dues: The two types of dues mentioned in these By-Laws are 'Annual' (Club Membership) Dues, and 'Resident Area' Dues.

Section 6. Resident Area Dues / Increases: As set forth in Article XVI of these By-Laws.

Section 7. Fees: There are thirteen types of Fees allowed.

- A. Membership Initiation Fees (set by the Board of Trustees)
- B. Moorage Lease (annual) Fees (set by the Board of Trustees)
- C. Moorage Lease Late Fee (set by the Board of Trustees)
- D. Day Use Moorage Fees (set by the Board of Trustees)
- E. Moorage Non-Lease Holder Winter Only Fees (set by the Board of Trustees)
- F. Moorage - 5 Fingers Trailer Parking Fees (pending development) (set by the Board of Trustees)
- G. Camper Area User Agreement (season) Fees (set by the Board of Trustees)
- H. Camper Area Day Use (short term) Fees (set by the Board of Trustees)
- I. Non-Camper Area Lease Holders - Winter Only Camping Fees (set by the Board of Trustees)
- J. Facility Use/Rental Fees (club house/grounds/mgrs cabin) (set by the Board of Trustees)
- K. Annual Dues Late Fees (set in these By-Laws)
- L. Resident Area Dues Late Fees (set in these By-Laws)
- M. Resident Area Lot Transfer Fee (set in these By-Laws)

Section 8. Fines: There shall be no fines, which are punitive in nature, established except through the following process.

- A. The Board of Trustees may vote to approve a proposed rule that creates a monetary fine. This proposed rule shall be published in a monthly newsletter for two months, announcing a date for a membership vote at a monthly or special

meeting to approve the specific fine implementation and amount. A 2/3rds majority of the votes cast by the membership present at the established monthly or special meeting must be in favor to approve the proposed fine.

- B. The proposed fine language must clearly state:
 - (1) The purpose for the fine.
 - (2) The fine amount.
 - (3) The maximum accumulated fine(s) amount.
 - (4) The enforcement authority authorized to file a citation/complaint (Person(s)/Position(s)).
 - (5) The elements of the offense.
 - (6) Whether photographic evidence shall be required.
 - (7) Whether warnings are first required.
 - (8) How notification is made to the member receiving the warning or fine. (Phone call, email, mail)
 - (9) The appeal process and authority.
 - (10) Any appeal time limitations.
- C. The final appeal authority for any monetary fine will be the Board of Trustees.
- D. Previously approved fine language may be cancelled by the board of trustees. Alternatively ten members may petition the commodore, who shall then publish notification and schedule a monthly or special meeting for a membership vote as in paragraph A above.

Section 9. New Member Initiation Fees. All Initiation fees paid by new Regular or Social members shall be set aside and identified by the club treasurer (or by delegation to the club business manager or contracted accounting firm) solely for use in capital improvements or major repairs of club facilities.

Section 10. Long Term Capital Improvement Fund. Beginning in 2017, ten percent (10%) of the collected annual Club Membership Dues will be placed in a Long Term Capital Improvement Account by the club treasurer, business manager or contracted accounting firm, for future major repairs or future club building/updating projects. In addition to their dues, members are encouraged to make donations to this fund for the future of the LCYC. At the beginning of each year, the Board of Trustees may by board vote, set side this provision when they feel it necessary to do so.

ARTICLE V

MEETINGS / QUORUM

Section 1. Monthly Meetings: Twelve (12) Monthly Membership Meetings will be held each year. The January monthly meeting will be known as the Annual Meeting. The Incoming Commodore will designate the dates, times and places of each monthly meeting. The incoming commodore will present his/her monthly meeting schedule for the upcoming year to the Board of Trustees for approval at the December monthly meeting, prior to taking office. A simple majority vote for approval will be necessary. The monthly meeting schedule will be published in the monthly newsletter. Any change in place, date or time will be clearly posted in the newsletter and/or on the LCYC web-page and/or by special mailing as time allows, and by club wide email, at least 10 days prior to the meeting.

Section 2. Agenda Review Meetings: There shall be no 'board only' meetings. When five or more flag officers and/or trustees are gathered at other than properly advertised monthly or special meetings, no official club business will be discussed. The intent is that all regular members have the right to be present and hear board discussion on all club issues, and be allowed time to express opinions and concerns to the board and to ask questions of the board. At the commodore's discretion, and with one month's prior notice in a newsletter or e-mail, an Agenda Review Meeting can be held at the same location as the advertised monthly meeting, prior to the monthly meeting. These Agenda Review Meetings will be for board discussion only to prepare for the following monthly meeting. No motions or votes will be taken. All regular members have the right to attend and listen. The intent of these Agenda Review Meetings is to hopefully shorten lengthy monthly and special meetings.

Section 3. Annual Meeting: At the January Annual Meeting there shall be an installation of club officers and Board of Trustee members for the ensuing year. A formal celebration of the installation will occur as a part of the Memorial Day weekend.

Section 4. Special / Emergency Meetings: The Commodore shall call special meetings of the Club whenever he/she shall deem it necessary, or upon the written request of ten (10) members in good standing, but no business other than that indicated in the call shall

be presented at the special meeting. Meetings will be open for all members to attend. Notice of special meetings will be posted in the monthly newsletter and/or on the LCYC web-page and/or by special mailing as time allows, and by club wide email, at least 10 days before the meeting. An exception may be made to the 10 day minimum notice requirement for an Emergency, if a 2/3rd majority of the Board of Trustees agree that the need for the meeting is 'an emergency'. Notice of emergency meetings may be by email to all members, using email addresses listed in the current roster of membership.

Section 5. Employee Meetings: The commodore and board of trustees may meet with an employee on a sensitive issue where disciplinary action, including termination, may result. The commodore may appoint another flag officer to chair the meeting. The board may interview witnesses. The board may meet in executive/closed session to discuss the details of an employee issue. A summary of the Boards' decision/action will be presented at a monthly meeting.

Section 6. Member Complaint Meetings: The commodore and board of trustees may meet with a club member on a sensitive/personal complaint/issue where action to expel could result. The commodore may appoint another flag officer to chair the committee. The commodore and board of trustees may interview witnesses. This meeting may be an executive/closed session to discuss the issue. Any board action will be taken at a regular or special meeting. Limited information may be presented at the monthly meeting. (See Article III - Sec 8, for termination procedures and member rights.) A Member Complaint File will be maintained by the Secretary, documenting the board action on any membership complaint addressed by the board of trustees.

Section 7. Regular Members Voting Rights / Votes by Proxy: Any regular member in good standing shall be entitled to vote at all monthly or special meetings, when the order of business is to vote on new members, to elect officers and trustees, to vote on motions to remove officers or expel members, to vote on a change to annual membership dues, or on any other business where a full Regular membership vote is specifically called for in these by-laws. No votes shall be accepted by proxy at a monthly or special meeting.

Section 8. Voting Procedures: To amend the Lake Chelan Yacht Club By-laws, or for the club to purchase, mortgage, sell, dispose of real estate, lease non-club owned property, create an assessment, or to approve a plan to develop previously undeveloped property of the club, a ballot as described in Section 11 below will be utilized. From the total ballots completed, a 3/4th approval is necessary to purchase, mortgage, sell or dispose of real estate, or to lease non-club owned property, and a 2/3rd approval is necessary to amend the Lake Chelan Yacht Club By-laws, create an assessment, or to approve a plan to develop previously undeveloped property of the club. Two members shall be selected by the board of trustees to review and verify the accuracy of the total ballot count.. At least one of these members will be a past commodore.

Section 9. Monthly / Special Meeting Quorum: Six (6) members of the Board of Trustees including three (3) Executive Officers shall constitute a quorum for monthly or special meetings. A majority vote is needed to carry any issue, unless otherwise specified in these By-laws.

Section 10. Quorum Required for Regular Members Voting : For any order of business at a monthly or special meeting requiring a vote of Regular members, a quorum shall consist of at least three (3) Executive Officers and ten (10) or more Regular members in good standing. A majority vote is needed to carry any issue, unless otherwise specified in these By-laws.

Section 11. Voting Methods :

(A) Voting by the full regular membership *to amend the Lake Chelan Yacht Club By-laws, or for the club to purchase, mortgage, sell, dispose of real estate, lease non-club owned property, create an assessment, or to approve a plan to develop previously undeveloped property of the club*, shall be by mail or virtual voting as decided by a majority vote of the Board of Trustees at the previous monthly meeting prior to the full membership voting date.

1. *Vote by Mail:* Ballots will be sent to the members' latest registered address with the club. The ballots will have a required return date of no less than three (3) weeks from the date of bulk mailing. A system of double envelopes will be used for returns, and the inner sealed envelopes will be delivered by the club secretary or club business manager to the annual or monthly meeting to be opened and counted.
2. *Virtual Voting:* All regular members who have an email address registered with the club shall be emailed a detailed description of the ballot one week before the closing date/time of the vote. The email shall contain language as to the voting website and method of voting. The site will be open for a one week period. The board will appoint a host. He/she shall only review the ballot count after the closing date/time of the vote in the company of the appointed

verifying members as stated in Article V, Section 8. Once verified, the voting results will be announced at the next monthly meeting.

- (B) Voting by the full regular membership *for officers/trustees* will be by Voting by Mail or by Virtual Voting, decided by a majority vote of the Board of Trustees at the previous monthly meeting prior to the set voting date.
1. *Vote by Mail:* Ballots will be sent to the members' latest registered address with the club. The ballots will have a required return date of no less than three (3) weeks from the date of bulk mailing. A system of double envelopes will be used for returns, and the inner sealed envelopes will be delivered by the club secretary or club business manager to the October monthly meeting to be opened and counted.
 2. *Vote by Virtual Ballot:* An email notification shall be sent to all regular members with an email address registered with the club no less than 18 days before the October monthly meeting –with a detailed description of the ballot, voting website and method of voting. The email shall list each member(s) nominated to each position (ie: Trustee Position #1, Trustee Position #2, Secretary). (See Article VIII, Section 1 and 2). The ballot description may include an introduction, statement and picture from each of the candidates. The site to vote will be open for 7 days. At the conclusion of the seven day voting period, the host in the company of the two appointed verifying members (one a past commodore), shall review the vote count for each position. If any position had more than two candidates running for a single trustee or officer position, within three days a second email listing the voting website and voting method will be emailed to all regular members listing the two candidates for each position who garnered the highest vote totals. The voting site will again be open for 7 days. At the conclusion of the runoff voting period, the host, in the company of the two appointed verifying members, will review the voting site data and provide the election results to the commodore or other flag officer running the October monthly meeting.
- (C) Voting for new member candidates shall be by vote of the regular members present in person at the annual or at a monthly meeting and, if authorized in advance at the previous monthly meeting by the Board of Trustees, shall include members present virtually. The appointed host, along with the membership chair, shall combine the virtual count with the in-person paper ballot count and report the result to the commodore or other flag officer running the monthly meeting.
- (D) The host, as indicated in A & B above when virtual voting has been authorized, shall mail by USPS to each regular member who does not have an email address registered with the club, a letter providing the website to use and their code for voting.
- (E) Any elections/voting not requiring a full regular membership vote in these by-laws shall be by in-person voting at a monthly meeting only.
- (F) Whenever these by-laws direct voting by the full regular membership 'present', 'present' may include in-person or virtually as previously approved in advance by the Board of Trustees at the annual or any monthly or special meetings or emergency meetings.

Section 12. Virtual Meetings: For any Monthly, Annual, Special or Emergency Meeting, the commodore, with the consent of two additional executive officers of the club, may authorize the meeting to be held by virtual means only, using commonly used virtual applications that the membership would have access to, when an emergency situation makes it impractical or dangerous to hold in-person meetings.

Section 13. Whenever a requirement period in years appears in these By-Laws, it shall be understood that a year equals the completion of not less than 365 days.

ARTICLE VI

ELECTED OFFICERS AND TRUSTEES / APPOINTED OFFICERS

Section 1. The elected flag officers of the club shall be the: Commodore, Vice Commodore, Rear Commodore and Secretary, each to be elected for a term of one year or until their successors are elected and installed. The Treasurer will be elected for a period of three years and, with the four flag officers and the Immediate Past Commodore, shall constitute the executive officers of the club.

Section 2. A commodore, vice commodore, rear commodore, secretary, treasurer, or trustee may be relieved of his/her duties by majority vote of the board of trustees for missing three (3) monthly meetings in a calendar year. Absences require prior notice to the commodore.

Section 3. The Board of Trustees shall consist of the Executive Officers and six (6) Trustees elected each for a term of three (3) years. These elective trustees' terms shall be arranged so as to elect two (2) trustees each year.

Section 4. The Board of Trustees shall be the legal custodians of the property of the club and responsible for the club's government, management and finances.

Section 5. Vacancies in the positions of Secretary and Trustee, by reason of death, resignation or cause, shall be filled for the remainder of the year by commodore appointment. The appointment shall be confirmed by a majority vote of the remaining Board of Trustees. If appointed to a vacancy in a two or three year Trustee position, to remain in the position, the appointed Trustee must be elected to the remainder of the term in the next annual Club election.

Section 6. The Appointive Officers of the club shall be the Fleet Captain and a Chairperson for each of the following standing committees: Membership, House and Grounds, Regatta, Moorage, Resident Area, Camper Area, Finance, By-Law, Construction, Water System, Annual and Nominating. They shall be appointed by the newly elected commodore and announced at the annual meeting in January. The commodore may appoint other committees and chairpersons as he/she may deem necessary, including, but not limited to, Entertainment/Social, Publicity, Fish Enhancement, Community Project and Sunshine.

Section 7. The Fleet Captain shall serve as chairperson for all LCYC cruises.

Section 8. A member who is not a boat owner shall not be eligible for the office of commodore, vice commodore, rear commodore, or fleet captain; however any officer having sold or lost his/her boat during his/her term may serve until his/her term of office expires.

Section 9. No officer or trustee shall receive compensation to serve as an officer or trustee, except the Secretary and the Treasurer, who shall have his/her annual membership dues waived during his/her term year. This dues waiver shall be for only one year for the Secretary.

Section 10. The LCYC will provide all officers and Board of Trustees with Directors and Officers Insurance.

ARTICLE VII

COMMITTEE CHAIRS AND MEMBERS

Section 1. Following the election of new officers of the club, the newly elected commodore shall appoint from the regular membership the chairpersons and committee members provided for under ARTICLE VI, who will serve during his/her term. A chairperson or committee member may be a trustee or regular member.

Section 2. The commodore may appoint other committees not listed in ARTICLE VI as he/she may deem necessary.

Section 3. Any or all committee chairpersons and committee members may be removed by the commodore acting with the majority of the board of trustees. Committee chairpersons and committee members serve only one year or until their successors are appointed.

ARTICLE VIII

ELECTION OF OFFICERS

Section 1. Nominations of officers shall be opened at the monthly meeting in August for service in the following year. All nominees for officer and trustee positions must have been a regular member in good standing for a period of at least three (3) years. Should a candidate be nominated to more than one position, the candidate must declare a single position and decline the remaining nomination(s). Nominations will be closed by the commodore at the September Monthly meeting, after calling for additional nominations from the floor three times. Any member nominated for the position of commodore must have past experience serving as an executive officer for the Lake Chelan Yacht Club.

Section 2. During the October monthly meeting each candidate for each office polling the largest number of votes shall be declared duly elected thereto.

Section 3. No member shall be eligible to hold any office or be allowed to vote who may be in arrears for annual dues, any fees or other indebtedness to the club.

Section 4. The officers so elected shall take office immediately following the installation at the beginning of the annual meeting.

Section 5. For the positions of incoming Secretary and Treasurer, as well as for any newly appointed incoming committee chairpersons, a job shadowing period is encouraged between the September elections and installation at the January annual meeting.

ARTICLE IX

REMOVAL OF OFFICERS AND TRUSTEES

Section 1. An officer or trustee of the club shall be removed from office upon a two-thirds (2/3) vote of the regular members present at a monthly or special meeting, but only after notice of the proposed action has been sent to the membership, which may include notice in the monthly newsletter. No action shall be taken until the officer/trustee has had a reasonable opportunity to appear in his/her own defense.

ARTICLE X

POWERS AND DUTIES OF ELECTED OFFICERS AND TRUSTEES

COMMODORE

Section 1. The commodore shall ensure compliance of the rules and general provisions regarding conduct of members and welfare of the club and of the board of trustees. He/she shall sign, together with the secretary (or alternate flag officer - if the Secretary is not available), on behalf of the club, all contracts, bonds and other written instruments approved by the board of trustees; shall see that the by-laws and rules and regulations are enforced; shall have such other powers and perform such other duties as are in the by-laws especially provided or which may be imposed upon him/her by the board of trustees.

Section 2. The Commodore shall be ex-officio member of all committees. The commodore shall be informed of any planned committee meetings and given adequate notice to allow his/her attendance. A report of any committee meeting held without adequate notice to, or knowledge of, the commodore shall not be presented at any monthly meeting or saved as an official document of the club.

Section 3. The Commodore will be responsible for the publication of the club annual.

Section 4. The incoming commodore, with the assistance of the incoming vice commodore, incoming treasurer and club business manager, will prepare a budget and present it to the members at the annual meeting in January.

VICE COMMODORE

Section 5. It shall be the duty of the vice commodore to assist the commodore in discharge of his/her duties, and in his/her absence, officiate in his/her stead. In the event of a vacancy occurring in the office of commodore, the vice commodore shall succeed to the office. He/she shall be a member of the regatta committee and the moorage committee, serving as the moorage chairperson or assisting the moorage chairperson in his/her duties.

REAR COMMODORE

Section 6. It shall be the duty of the rear commodore to assist the commodore and vice commodore in the discharge of their duties, and in their absence to officiate in their stead. In the event of a vacancy occurring in the office of vice commodore, the rear commodore shall succeed to the office. He/she shall be a member of the Regatta committee and the House & Grounds committee, serving as the House & Grounds chairperson or assisting the House & Grounds chairperson in his/her duties.

SECRETARY :

Section 7. It shall be the duty of the secretary:

- A. To keep a true record of the proceedings of all meetings of the club; the same to be kept in a comprehensive and legible form, and to be permanent property of the club.

- B. To keep and file all documents, records, reports and communications connected with the business of the club.
- C. To notify members of their election, expulsion, suspension or the acceptance of their resignation.
- D. To notify each member of the annual meeting, all monthly meetings, and any special meetings called by the commodore. These notifications may be made through meeting notices in the monthly bulletins and/or by email.
- E. To be responsible for the mailing and collecting of all membership votes requiring a mailed ballot
In case of inability to attend any meeting, he/she shall cause the necessary books and papers to be conveyed to the place of the meeting.
- F. The secretary shall be allowed the necessary and proper disbursements for postage and stationery, and shall be exempt from the payment of Regular membership annual dues while discharging the duties of the office. The dues exemption is for one year.
- G. In the event of a vacancy occurring in the office of rear commodore, the secretary shall succeed to the office.
- H. Shall at the beginning of his/her term, ensure that the Resident Area Lot Line / Lease Agreement book, is complete and in the hands of the new Resident Area Chairperson.
- I. Shall ensure that all LCYC Waiting Lists are kept current and published on the club web-site.
- J. Shall be responsible for club mailings, including mailing and collecting voting ballots.

TREASURER:

Section 8. It shall be the duty of the treasurer:

- A. The treasurer shall receive all monies paid to the club from every source and shall give receipts therefore, and shall deposit same in bank or banks approved by the trustees and only in the name of the "Lake Chelan Yacht Club."
- B. All receipts and revenues of the club shall be available for such uses as the board of trustees may direct and shall be disbursed by the treasurer, or by delegation to the club business manager, or contract accounting firm as approved by the board of trustees. The treasurer shall, in conjunction with the club business manager or contract accounting firm, conduct the financial relations of the club and shall perform the other duties usually incumbent upon the office. Suitable books of account shall be kept and they shall be the permanent property of the club. The books shall be audited at the direction of the commodore or by a vote of the board of trustees. A financial review shall be performed no less than every (3) years and at the conclusion of the term of each treasurer. This review shall be performed by an outside licensed Certified Public Accountant.
- C. A financial report shall be made at the annual and all monthly meetings.
- D. In case of inability to attend any meeting, he/she shall cause the necessary books and papers to be conveyed to the place of the meeting.
- E. In the event of a vacancy occurring in the office of secretary, the treasurer shall not succeed to the office. The board of trustees will appoint a replacement secretary.
- F. The treasurer shall be one of six executive officers of the Lake Chelan Yacht Club, but not a flag officer, and shall not succeed through the chairs. The Treasurer will be an elected three year position. If a vacancy occurs in the position of Treasurer, the Commodore, with the consent of the Board of Trustees, will appoint a replacement until the next election period.

TRUSTEE

Section 9. It shall be the duty of each trustee, along with the Executive Officers of the Club, to manage club properties and funds, and to make decisions within the By-Laws for the betterment of the club. Trustees may be requested to assist the commodore with club duties and functions, and may be asked to serve as committee members.

ARTICLE XI

CLUB STAFF

Section 1. *Business Manager.* The commodore, with the approval of the Board of Trustees, will hire a business manager to work in association with the treasurer in receiving, maintaining, investing, and dispensing all club funds. Each new commodore shall present a prospective candidate for a business manager to serve during his/her term to present to the Board of Trustees for a vote to approve or reject the candidate. The commodore may suspend any business manager for suspected wrong doing, but a majority vote of the board of trustees shall be necessary to terminate the business manager. In lieu of, or in addition to, appointing a business manager, the commodore and board of trustees may contract with an accounting firm to provide financial services.

Section 2. *Manager/Custodian.* The incoming commodore, with the assistance of the vice and rear commodore, shall locate and present a candidate to be the manager/custodian to serve during his/her term. The manager/custodian shall provide maintenance of

club property, and assist the commodore and house and grounds chairperson with enforcement of rules and with basic club security. The commodore shall present the candidate to the Board of Trustees for a vote to approve or reject the candidate. The manager/custodian will report to the commodore. When the commodore is not available, the manager/custodian will report to the house and grounds chairperson. If neither the commodore or house and grounds chairperson is available, the manager/custodian will report to the vice commodore, then rear commodore and then secretary.

Section 3. *Manager/Custodian Cabin.* A cabin may be provided for the club manager/custodian if desired and needed. The cabin will be under the control of the House and Grounds Committee. If the manager's cabin is not needed or utilized by the manager/custodian, it may be rented to club regular or family members as a source of income for the club, with the funds placed in the general fund. The Board of Trustees will create the rules and procedures for the rental as a part of the House and Grounds Rules.

Section 4. *Employee and Officer/Trustee.* No officer or trustee will also serve as a paid employee of the Lake Chelan Yacht Club. If an officer or trustee becomes an employee during his/her elected term, they must resign their office or trustee position.

ARTICLE XII

COMMITTEE FUNCTIONS

It is the intent of the club that each committee has at least three members, including the chairperson. Exceptions to this 3 member minimum may be made by the commodore.

Section 1. Membership Committee. This standing committee shall be tasked to seek new members, obtain membership applications, and present proposed members for election for membership at a monthly meeting.

Section 2. House and Grounds Committee. This standing committee, which will include the Rear Commodore as a member, shall have charge of the clubhouse and the clubhouse associated grounds, including the lawn, rest rooms, swim area, manager's cabin and connecting parking lots, and the arranging of all repairs and improvements to these buildings and grounds. They shall have the authority to post such rules as they find necessary for protecting the interest of the club. The house and grounds committee shall be notified of all complaints by members concerning the use of the clubhouse and associated property. The house and grounds committee will work closely with the club manager/custodian.

Section 3. Moorage Committee. This standing committee, which shall include the Vice Commodore as a member, shall foster the construction and maintenance of all docks as are placed by the club in the various locations on the lake. They shall cause to be removed all obstructions on the docks and in the moorage area of the lake interfering with safe navigation. This committee will be responsible for the management of the club marina, including the assignment of moorage slips, and all boat parking areas included in the Five Fingers area adjacent to the Villa resident area. The enforcement of rules in all moorage areas will be the responsibility of the moorage chairperson, the club manager/custodian, and/or the commodore.

Section 4. Resident Area Committee. This standing committee shall have charge of the Yacht Club Villa property, including any additional resident lots created in the 4th row level of the Five Fingers Area, making sure that all repairs and needed improvements are completed. This committee shall maintain and manage the Resident Area Lease Agreement book and keep all changes up to date, including lot line maps and measurements, and manage the Resident Area Waiting List and maintain records of building permit applications. The resident area chairperson and/or the commodore will have responsibility for enforcing club and villa rules in the resident area. The resident area chairperson may appoint block captains for the four villa rows to assist with rules enforcement and to be available to receive resident area concerns and complaints to pass on to the chairperson and/or commodore.

Section 5. Camper Area Committee. This standing committee shall have responsibility for repairs and improvements in the Camper area. Enforcement of rules in this area shall be the responsibility of the Camper area chairperson, club manager/custodian and/or the commodore. The Camper Area will also include a designated portion of the lowest level of the Five Fingers area. This committee shall assure a new user agreement is signed annually by each seasonal camper area user. Any alteration of the user agreement document shall be approved by the Board of Trustees. No protections or rights shall be included in the user agreement not granted in these By-Laws or the current Camper Area Rules.

Section 6. Finance Committee. This standing committee shall have the responsibility for creating draft plans for the clubs future needs, and to track and keep the Board of Trustees advised of club replacement and repair schedules and needs. This committee shall maintain copies of all club warrantees.

Section 7. By-Law Committee. This standing committee shall have the responsibility to propose necessary By-Laws changes and/or clarifications to the Board of Trustees. In addition, the By-Law Committee shall review proposed rule changes for compliance with these By-Laws, prior to them being presented by motion for a final Board of Trustees vote. A minimum of two weeks shall be allowed for review. Rule changes necessitated by an emergency are exempt from this requirement. The language in newly proposed changes to LCYC leases and use agreements shall also be reviewed by the By-Laws Committee to assure the language and terms are consistent and in compliance with the By-Laws.

Section 8. Construction Committee. This standing committee shall have the responsibility to review all proposed building and construction projects on club property, including the Resident Area. Members of this committee shall be appointed for their experience in planning, drafting, construction and building professions and trades. In the Villa, all proposed excavation or construction projects shall be submitted with descriptions and plans to the Villa chairperson, who will provide same to the construction committee to review for height restrictions, set-backs, access and other building requirements. After their review and comments, the construction committee will provide their findings and recommendations to the commodore. With the commodore's written permission, the project may proceed for permit to the Chelan County Planning/Building Department with any club ordered limitations/requirements.

Section 9. Water System Committee. This standing committee shall be in charge of water use, and have responsibility for maintenance, repairs, and improvements to the club water system.

Section 10. Nominating Committee. This standing committee shall have responsibility for seeking regular members in good standing to serve as officers and trustees. The commodore may wait to appoint this committee until June 1st of the year of his/her term in office. A minimum of three LCYC past commodores are usually requested to fill this committee.

Section 11. Regatta Committee. This standing committee, which shall include in its membership the vice commodore and the rear commodore, shall arrange a schedule of events for the annual regatta. All disputes regarding regatta activities shall be subject to its decision, which shall be final.

Section 12. Annual Committee. This standing committee, which shall include the commodore as a member, shall have responsibility for the publication of the club annual.

Section 13. Documents/Archive Committee. This standing committee, which shall include at least one flag officer or past commodore, shall have the responsibility to collect all official club correspondence and documents from all immediate past members of the Board of Trustees and ensure their inclusion and storage in the club vault and shall obtain and ensure that all warrantees and manuals for new purchases are properly stored in the vault.

Section 14. Entertainment / Social Committee. This optional committee shall plan and organize the social events of the club. The commodore may also assign the coordination of a single event to a single person or special committee or trustee.

Section 15. Publicity Committee. This optional committee shall have the duty to provide the press with items of interest relating to yachting and club activities.

Section 16. Fish Enhancement Committee. This optional committee shall work with the various sportsmen's clubs and state and federal game agencies to promote responsible sport fishing and to enhance fish populations.

Section 17. Sunshine Committee. This optional committee shall have the duty of keeping abreast of membership concerns and welfare, including illnesses, surgeries, deaths, and shall send get well and sympathy cards &/or flowers.

ARTICLE XIII

ORDER OF BUSINESS

Section 1. At the annual and all monthly meetings of the club the order of business shall be as follows:

1. Call to order
2. Call for Special Business
3. Minutes of the previous monthly/special meeting
4. Reading of communications
5. Action on communications
6. Report of treasurer / Report on bills to be paid
7. Report of committees
8. Special business stated in call
9. Unfinished Business
10. New Business
11. Jackpot
12. Adjournment

Section 2. Unless directed otherwise in these By-laws, Roberts Rules of Order shall govern all meetings.

ARTICLE XIV

PENNANT AND FLAGS

It is the desire of the club, but not a requirement, that officers and past commodores display their flags, and that all members display the club pennant on their boats. This is an excellent method for members to show their pride in the club and a means for members to advertise the club for recruiting purposes.

Section 1. The distinguishing pennant of the club shall be a pointed burgee with a white bar crossing from the lower angle of a red and blue field at an angle of 45 degrees from the hoist, dividing into two triangles with a red field in the upper triangle and a blue field in the lower one with a blue star in the center of the white bar.

Section 2. The Past Commodore's flag shall be a rectangular blue field having in its center a white fouled anchor with three white stars placed vertical on the hoist side.

Section 3. The Commodore's flag shall be a rectangular blue field, having in its center a white fouled anchor surrounded by a circle of thirteen white stars.

Section 4. The Vice Commodore's flag shall be a rectangular red field having in its center a white fouled anchor surrounded by a circle of thirteen white stars.

Section 5. The Rear Commodore's flag shall be a rectangular white field having in its center a red fouled anchor surrounded by a circle of thirteen red stars.

Section 6. The Secretary's flag shall be a rectangular blue field having in its center two crossed quills.

Section 7. The Treasurer's flag shall be a rectangular blue field having in its center an acorn.

Section 8. The Fleet Captain's flag shall be a rectangular white field having in its center a blue fouled anchor.

ARTICLE XV

CLUB OFFICERS UNIFORM

Section 1. The regulation uniform for the commodore, vice commodore, rear commodore and secretary of the club: white top cap with black visor, black or dark navy blue coat, white shirt, black four-in-hand tie, black belt, white trousers/skirt and black shoes. The treasurer will be a non-uniformed officer.

Section 2. The uniform for past commodores is the same, except for gray trousers/skirt.

Section 3. No caps shall be worn indoors.

ARTICLE XVI

RESIDENT MEMBERSHIP / 'THE VILLA'

All resident leases are to be for the sole use of one membership as a home or vacation residence for the personal use of the member.

Section 1. A Resident member shall be entitled to the use of one plot of ground, those plots being specifically known as Villa lots and designated as Lots 1-46, 48-96 & 98-100, with no Lot 47 or Lot 97, in the area above South Lakeshore Road owned by the Lake Chelan Yacht Club. This plot is to be used for camping, parking a travel trailer, 5th Wheel, camper, mobile home, manufactured home, or cabin for the personal use of the member and his/her family (see limitations on 'family' use elsewhere in these By-Laws). All

Villa leases will be written to be in complete compliance with these By-Laws and offer no protections, rights or guarantees not provided for in these By-Laws. Any changes to the lease document will be approved by the Board of Trustees to insure full compliance with these By-Laws.

Section 2. Any Regular member desiring to become a Resident area member shall submit a letter of interest to the Board of Trustees of the Lake Chelan Yacht Club. In addition to paying the dues for a resident membership, the member shall also be required to pay his/her full LCYC annual membership dues, if not already paid. All requests for Resident area memberships shall be voted on by the Board of Trustees at a monthly meeting.

Section 3. Development and operation of the LCYC Resident Area (“Villa”) shall be under the supervision and direction of the board of trustees of the Lake Chelan Yacht Club, with assistance from the resident area chairperson.

- A. The area plot of ground assigned by lease agreement to a resident member may be used by him/her so long as:
1. His/Her annual membership dues and Resident area dues are paid and current.
 2. The property assigned by lease agreement to the resident member and improvements placed thereon and/or equipment kept thereon are maintained in a clean and orderly condition. If a lot is determined by the resident area chair, in consultation with the Commodore, to be maintained in an unkempt, unsanitary and other than a fire safe manner, the Commodore may provide a letter to the lot lease holder requiring correction of the deficiency. The letter shall list the areas to be corrected and provide a reasonable period for the corrections. The member may appeal the Commodore’s finding to the Board of Trustees at the next monthly meeting. If the Board votes to sustain the Commodore’s findings, then the lease holder will have 30 days to make the correction, unless otherwise specified by the Board. If the corrective action is not performed in the time limit specified, the Club may hire the work needed and bill the lease holder. Once billed, the lease holder will have 60 days to pay the Club Treasurer or Business Manager. If payment is not received within 90 days, the lot lease holder will be expelled from club membership. (See Art. XVI, Sec. 4, H.)
 3. All personal property taxes are kept current, and all titled and licensed personal property utilized as the primary or accessory living or sleeping space, whether set on foundations or blocks or kept on the property for over 30 days, shall be registered or licensed in the name of the lot lease holder with Chelan County and the State of Washington. A lot with any improvements listed as owned by a trust or LLC, shall have the lease holder listed as a principle in the trust/LLC documents. .
 4. He/she abides by the rules for resident members, as set forth in these By-Laws and Resident Rules.
 5. Any new construction shall be performed in accordance with requirements as set forth in this Article, Sections 16, 17, 18 and 19.
 6. As a condition of lot lease transfers, all lot lines shall be set by the board if not already done so, with the corner marker positions logged in the Resident Area Lease book.

Section 4. Resident Area Lots / “The Villa”:

A. There are three (3) types of lots in the Resident area, listed as 1, 2 & 3 below.

1. Lots without basic improvements. Basic improvements are defined as usable electricity, running water, and a ready to connect septic system.
2. Lots with improvements, but no dwelling
3. Lots with a dwelling. A dwelling is defined as a mobile home set on a foundation or blocks, or a stick framed cabin including an operational kitchen & bathroom. Moveable travel trailers and fifth wheels do not constitute a dwelling.

B. A Resident Area Waiting List will be maintained for Lots Without Basic Improvements and for Lots with Improvements but no dwelling, by the Secretary and Resident Area Chairperson. Names shall be ranked in the order of request in writing and added to the list as received. Obtaining a Resident Area Lease shall not alter a member’s position/ranking on the Waiting List until a written request by the member to be removed has been received.

C. Members holding a Resident Area lease without basic improvements may not sell his/her lease rights. If a Resident Area member wishes to give up his/her lease, they must return a lot without basic improvements to the Club in writing to the Board of Trustees, or cease to pay resident area dues. The Board of Trustees shall reassign the lot according to the Resident Area Waiting List.

D. Members holding a Resident Area lot lease with basic improvements may sell his/her improvements to another LCYC Regular member with approval of the Board of Trustees. After the lease holder sets a price for his/her improvements, the improvements shall be offered first to those members whose names appear on the Resident Area Waiting List, before the improvements are advertised to the Club membership. If the price is reduced, the improvements will be re-offered again through the Resident Area Waiting List.

E. Members holding a Resident Area lot lease with a dwelling may sell his/her improvements to another LCYC Regular member with approval of the Board of Trustees without regard to the Resident Area Waiting List.

F. Any Resident Area lot lease holder intending to sell their improvements shall notify the commodore of their intent to sell and the asking price, before any advertising or sale negotiations occur. The commodore, or his/her designee, shall within 72 hours forward the seller's intention to sell and asking price by email to all LCYC members. No advertising outside of the club shall occur until 60 days from the official club notification. The intent of this section is that current Club members have priority in making lot improvement purchases and in securing Resident Area leases.

G. When a Resident Area Lot lease holder agrees to sell to a non-club member, the sale shall not occur until it is approved by the board of trustees, and the prospective new lot lease holder(s) have been accepted for membership into the LCYC and have paid all applicable dues and fees.

H. If a Resident Area member gives up their membership, fails to pay his/her annual membership dues and/or Resident Area dues when required, has been expelled from the club membership, or passes away without a will or designated heir (see Article XVII, Section 2), he/she, or in case of death his/her personal representative, shall have 30 days (60 days in case of death) to remove his/her personal property from the club villa, unless he/she has/had a dwelling that can not be reasonably removed. He/she or the personal representative shall then have one year to sell the above ground lot improvements before forfeiture is sought by the club. During this one year period, the now past member or personal representative may not use or stay in what was his/her leased lot, but may only show the improvements for sale. Any violation of the no-stay provision may result in a no-trespass warning by the Board of Trustees. If the past member or personal representative fails to locate a buyer acceptable to the club in one year, the club shall seek legal advice to move forward with a forfeiture action of the above ground improvements on the club real property. Any sale amount of the improvements resulting from forfeiture will be paid to the past member or his/her estate, minus club legal fees, club repair costs, and costs by the club for advertising and selling

Section 5. Sub-Lease / Rent - A Resident member shall not rent or sub-lease his/her leased Resident Area lot.

Section 6. Lot Exchange - A resident member in good standing may exchange the lot assigned to him/her for a different lot which has been vacated or had the improvements placed for sale by obtaining approval of the board of trustees of the Lake Chelan Yacht Club. The originally assigned lot must be placed for sale within 30 days of the new purchase. After (6) six months of listing if the lot has not yet sold, the Board of Trustees may request a review of the listed price. While pending the removal of personal property from, or sale of improvements to the originally leased lot, the resident member shall not occupy both lots simultaneously, or loan, rent, use for storage, or in any way benefit from having the temporary lease of two lots.

Section 7. Loaning Privileges - A Resident member shall have loaning privileges of his/her leased Resident Area lot to a LCYC Regular or Family member in good standing. Dependents of lease holders under age 21 may stay at the member's lot under the lot lease holder's general supervision, even if the lease holder is off of club property. Whether they are present or not, the lot lease holder shall continue to be responsible for all actions and activities of their dependents. Once a dependent reaches age 21, they may no longer stay at a parent's leased lot without the lease holder on club property, unless they apply for and are accepted as Regular or Family Members of the club. Exceptions to this provision may be made by the Board of Trustees on application of a Resident member for a specific medical or other special circumstances. Resident Area members shall not report other members' children as their guests when not physically staying at their villa lot in order to circumvent this section.

Section 8. Resident Area Independence/ Separation - It is understood that the Resident Area is a part of the Lake Chelan Yacht Club property, and that the day to day management of the club, including the resident area, consistent with these by-laws, is managed by the elected LCYC Board of Trustees. It is the intent of these by-laws that the Resident area, under individual lot leases, is to be treated as independent and separate from the general access club property that falls lakeside of the county road, and non-resident areas of the Five Fingers area. All property taxes and utility costs associated with the Resident area are to be separated and paid solely by the Resident area members through the collection of Resident area dues.

Section 9. Resident Area Dues Separate Fund – Resident area dues (except for management percentage – see Article XVI, Section 11) shall be held in a separate fund and used solely for the operation, maintenance and development of the resident area property. No LCYC general funds shall be used for the operation, maintenance or development of the resident area, except as set forth in Article XVI, Section 11.

Section 10. Dues & Late Fees - Resident Area dues (including any sums collected using Section 11 and Section 12 below) must be paid by March 1st. If not paid by March 1st, a \$250.00 late fee shall be charged and a late notice mailed to the club registered address for the Resident Area/Villa member. If the late fee and Resident Area dues are not paid in full by March 15th the Villa lease shall be cancelled and the real property will revert back to the Lake Chelan Yacht Club. These late fees when collected shall be placed by the club treasurer and/or club business manager in the general fund.

Section 11. Setting the Resident Dues - The Resident area dues shall be set for the upcoming year by the Resident area members. If a decrease or increase is recommended by the Resident area committee, then either a ballot will be mailed or an email will be sent to all Resident area members fully describing the need for the decrease or increase and including information on the method of virtual voting (if virtual voting was approved by the Board of Trustees at the previous monthly meeting) for a one week period. If mail ballots are utilized, the ballots shall be sent to the club registered address for each Resident Area member. The returned ballots shall be counted no less than three weeks after the date of mailing. If voting virtually, the Board of Trustees will appoint a host and two additional members, with at least one being a past commodore, to review together the total count for accuracy. A two-thirds (2/3rds) majority of the returned ballots will be necessary to approve a resident area dues change. One-Fourth (1/4th) of the Resident area dues collected by the LCYC Treasurer or club business manager or contracted accounting firm, shall be maintained in the LCYC general fund for special club projects.

Section 12. Voting Procedure - The same procedure of voting by Resident area members to set their dues, shall also be utilized for obtaining approval on other Villa issues, including permission to spend funds or collect extra funding for special Villa only projects like to pave roadways or install new water lines, or to support club wide projects.

Section 13. Lot Transfer Fee - Whenever the improvements (including a dwelling) on a Resident area lot is sold/transferred (other than through inheritance) \$2,500.00 Transfer Fee shall be paid by either the buyer or the seller to the LCYC prior to transfer approval by the Board of Trustees. The Treasurer or club business manager will place the Transfer Fee into the Capital Improvement account. If the transfer is to a son or daughter, other than by inheritance, the Transfer Fee will be \$500.00.

Section 14. Board of Trustees Decisions Are Final - The decision of the board of trustees regarding any problems that may develop in connection with the development of this property or between resident members or for failure of any member to abide by the rules shall be final. A final decision shall not be made by the board of trustees concerning any member dispute, until all member parties have had reasonable opportunity to give input to the board.

Section 15. Septic Lines / Water Lines - No Resident member may occupy any tract indefinitely without provision for septic service adequate to comply with the rules of the Chelan County Health Department. Permanent improvements such as septic tanks and buried water lines shall become and remain appurtenant to the land. Each Resident member shall be responsible for extending a lateral off of the main domestic water line to his/her tract. These laterals will be of a pipe size and routed as directed by the Board of Trustees. They shall be terminated with a pipe T and Plug so that they may be readily extended. All equipment shall be installed at the owner's risk. The Club shall not be responsible for losses sustained by theft, fire, stress of weather, carelessness of another member or other causes.

Section 16. Construction / Plans Review - Prior to any new construction or excavation on any leased lot, the lot lessee must contact the resident chairperson and complete a basic application form. If the chairperson believes the described project or excavation is so small in scope that it may not require a full Committee construction/plans review, he/she shall ask two members of the Construction/Plans Review Committee to make a site visit. If they concur that the project is too small in scope, they may authorize the go-ahead by signing off on the application form. If the two Committee members believe that the project needs to continue with a full plans review, they will inform the resident area member to submit to the resident chairperson a full project description and diagram, which shall be forwarded to the Construction committee, including any written comments of concern by the Resident Area Chairperson. The Construction Committee shall review the application with regard to height requirements, set-backs, construction access, etc. The Construction committee will provide a report to the commodore with its recommendation to approve, deny, or suggest alterations to the project. The commodore will be the final approval authority for any new club construction/excavation project. Once approved by the commodore, the Villa member may then apply for a Chelan County permit, with any limitations provided by the commodore. Before any actual construction begins, the member shall provide to the Resident Area chairperson a list of proposed contractors to be utilized for the project. Members are

encouraged to use contractors that are licensed in Washington and bonded/insured. Resident members shall be responsible for contractors they employ. All new construction shall be by permit and in full compliance with Chelan County building codes and zoning laws. An Indemnity Agreement shall be obtained from all contractors by the member doing the construction, holding the club and club property harmless. Copies of county permit applications and granted permits shall be submitted to the resident area chairperson, who will maintain a notebook of all building requests with copies of all county applications and granted permits. At the end of the year, this notebook or copies will be provided to the Secretary or Documents/Archive Committee chairperson for inclusion in the club archives.

Section 17. . Height Restrictions - The following height restrictions have been developed to ensure that no new or remodeled dwelling or structure shall unnecessarily obstruct another lot's views. Height restrictions are as follows:

- (a) For structures being constructed above or westerly of each road in the Villa, no part of the structure may exceed 10 feet above the elevation at the highest back lot corner.
- (b) For structures being constructed below or easterly of each road in the Villa, no part of the structure shall exceed 16 feet above the property corner at the Villa access road level from which the lot is accessed.
- (c) Relief from the restrictions above may be granted by the Board of Trustees when the heights will not unduly obstruct a neighbor's view because of the topography of the lots. Lessee must gain written permission from neighbors.

Section 18. Water Containment / Slopes - As changes are made to each lot in the Villa, by cutting, filling, adding structures or any other improvements, it shall be the lot lessee's responsibility to ensure that all water from that lot is contained on that lot for any event that occurs. No cut or fill shall have a slope that exceeds any Chelan County standard and in any event, these slopes shall not exceed a 1:1 ratio.

Section 19. Damage & Restitution & Access – A Villa member's leased lot shall not be encroached upon or driven over for any building or construction project without permission in writing from the affected lease holder. Regardless of any written permission, if damage occurs to an adjacent Villa lot or Villa road having been caused by a member's construction project, the cost of the repair shall be by the Villa lease holder doing the construction.

Section 20. Trespass – All Villa lots have a lease holder. No person other than the lease holder or his/her invited guests shall access his/her assigned lot. This is a basic respect-your-neighbor rule.

ARTICLE XVII

SURVIVORSHIP AND RESIDENT BENEFICIARY

Section 1. Upon the death of a regular member, the membership and all privileges, shall remain with the surviving spouse/registered domestic partner. Included in these privileges will be moorage and residential rights. Should there be no surviving spouse/registered domestic partner, the membership shall terminate, except as provided in Section 2 below. If a member dies while holding office, the surviving spouse/registered domestic partner shall not assume the office of the deceased member.

Section 2. Upon death of a regular member who holds the rights to a Resident area lot and improvements, the rights to the lot and improvements shall remain with the surviving spouse/domestic partner. Should there be no surviving spouse/partner, the rights to the lot and improvements of the deceased member and the right to hold Regular membership shall pass to one heir of the deceased member, if so designated in the will of the deceased member.

Should no single heir be designated, the personal representative of the estate of the deceased member shall be responsible for the sale and/or removal of improvements on the lot. Improvements remaining on the lot may only be sold in accordance with ARTICLE XVI, Section 4 of these by-laws.