

**BYLAWS**  
**Of**  
**COLONY SURF CLUB, INC.**  
**2022**  
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Amended Bylaws of  
**COLONY SURF CLUB, INCORPORATED**  
A Non-Profit Corporation  
As of September 4, 2022

**GENERAL**

It is the purpose of the Colony Surf Club to:

Create (or acquire, purchase, contract, lease) real property designated as "common property" in plats as described in the Articles of Incorporation, to develop the same for the common benefit of all the members;

To insure, protect, beautify and improve the common property, to maintain control and orderliness, and to provide common facilities and services.

To construct and control the use of structures appropriate for the common benefit of all;

To conduct business as necessary to maintain and perpetuate the Club as a non-profit corporation.

These Bylaws are established and amended from time to time to insure these goals.

The areas affected by this amended Bylaw change are indicated in the right-hand margin **(R)** and the date of 9/4/2022 will appear in the lower right-hand corner of the affected page.

In the event changes to the homeowner's association laws, including RCW Ch. 64.38, are made and those laws supersede the provisions of these Bylaws, then it is the intention of the Board of Trustees to modify each provision of these Bylaws as may be necessary to comply with the amended law. In the event that a Washington statute is modified, upon that statute's effective date, it shall automatically supersede any inconsistent provision in these Bylaws, which shall be deemed modified to reflect the new laws' requirements unless the statutes allow for inconsistent Bylaws. The remaining provisions of these Bylaws not affected by changes in the law shall remain valid and enforceable.

## ARTICLE I

### **CORPORATE CONTROLS**

Section 1 - **Articles of Incorporation:** Primary laws governing Colony Surf Club are set forth in the Articles of Incorporation and all Amendments as filed with the Secretary of State, State of Washington.

Section 2 - **Bylaws:** These Bylaws provide secondary level controls, and they shall be maintained in conformance with The Articles of Incorporation and Amendments.

Section 3 - **Amendment of Articles:** Articles of Incorporation may be amended at an Annual or Special Meeting by a quorum of members having voting rights and said amendment receiving at least two-thirds of the votes, which members present at said meeting, or represented by proxy, were entitled to cast.

Section 4 - **Amendment of Bylaws:** These Bylaws may be amended to change, add, or delete statements contained herein. Said amendments may be made at an annual or special meeting by a quorum of members having voting rights, and said amendment receiving a majority of the votes, which members present at said meeting or represented by proxy, were entitled to cast.

## ARTICLE II

### **CORPORATE OFFICE**

Section 1 - **Place of Business:** The registered office and place of business of the Corporation shall be the Colony Surf Clubhouse, 50 N Colony Ct., Lilliwaup, Washington, 98555, located in Mason County.

Section 2 - **Records:** All financial and other record of the association, including but not limited to checks, bank record, and invoices, in whatever form they are kept, are the property of the association.

Section 3 - **Availability of Records:** All records of the Corporation, except for personal identifying information of members, shall be available for examination by all members and their respective authorized agents. Members wanting to review Club records must submit a written request to the President or Secretary, who will schedule a mutually acceptable time for said review with a member of the Board of Trustees, to be held at the Clubhouse office. A copy of the documents may be sent via postal or electronic email if requested. The Corporation will impose a fee of \$10.00 for each document requested. Payment must be made before receiving the documents. Postal delivery will incur an additional charge of \$0.25/page.

## ARTICLE III

### MEMBERSHIP

Section 1 - **Plat Description:** Members of this Corporation shall consist exclusively of the owners of lots in Divisions 1, 2,3,4,5, and 6 in Colony Surf, as described in Article I of these Bylaws and recorded as platted in Mason County, Washington. The owner, in whose name the membership stands, shall be entitled to all rights and privileges of membership subject to the rules, regulations and payments as may be imposed herein.

Section 2 - **Definition of Membership:** Membership shall be inseparably appurtenant to lots, tracts and ownership in the plat described in Section 1. Upon transfer of ownership by deed, court decree or otherwise, or upon the making of a contract of sale, membership shall be automatically transferred with the lot to the new owner or purchaser. No membership may be transferred in any other way. The written document for transferring ownership must be recorded with the Mason County Auditor.

Section 3 - **Purchase of Contract:** A purchaser under a contract of purchase shall be deemed an owner for membership purposes. The term "owner" as used in these Bylaws shall include a contract purchaser or assignees and holders of record of the vender's interest under any such contract. The term "owner" shall also include a party otherwise qualified as an owner hereunder and irrespective of whether such a party be a person, persons, corporation, partnership, association or other form of entity, provided that as to each, such entity and ownership there shall be only but one membership.

Section 4 - **Termination of Membership:** No member of this Corporation shall have a right, title or interest in or to the whole or any part of the property or assets of the Corporation. No member shall be entitled to either the whole or any part thereof in the event of the termination of this membership in the Corporation.

Section 5 - **One Owner/One Membership/Two Votes:** Each owner shall have one membership and two votes regardless of the number of lots owned. (unless in violation of Article III – Section 7 and/or Section 8). A membership holding a lot as community property, or two or more other persons holding jointly or as tenant in common shall be entitled collectively to one membership. A new owner or purchaser shall become entitled to vote after establishing his ownership or contract interest to the satisfaction of the Secretary and/or Treasurer. The personal representative of a deceased member, executor of the estate, shall have all that member's rights, privileges, and duties.

Section 6 - **Membership Withdrawal:** No member may withdraw from the Corporation except upon transfer of the lot or lots to which their membership is appurtenant. No compensation shall be paid by the Corporation upon the transfer of membership. No member whose membership is transferred shall thereafter be entitled to the use of any property, facilities or benefits provided by the Corporation except to the extent of continued membership by reason of ownership of another lot(s).

Section 7 - **Suspension of Membership:** The Board of Trustees, by majority vote, may suspend a membership's rights and privileges for:

- a. Non-payment of Club assessments.
- b. Repeated failure to comply with established Club rules and regulations.

In such a case however, the Board of Trustees shall provide the member with written notification of said suspension, and the conditions for reinstatement of membership rights.

Section 8 - **Loss of Membership:** If property foreclosure action is taken by the Club to recover unpaid fines, dues and assessments, then membership and all rights for use of Club facilities shall be forfeited automatically without notice.

Section 9 - **Member in Good Standing:** A "member in good standing" are Members whose dues, assessments, fees and penalties are paid or are current in their contract between the Club and the member.

#### **ARTICLE IV – MEETING OF MEMBERS**

Section 1 - **Annual Meeting:** The Annual Meeting of the members of the Corporation shall be held on the Saturday preceding Memorial Day each year, or on a date specified by the Board of Trustees. Such Annual Meeting will be held at the Colony Surf Club Clubhouse. For the convenience of the membership, the Board of Trustees may designate a different date or place for the convenience of the Annual Meeting.

Section 2 - **Special Meetings:** Special meeting of the members may be called by the President, a majority of the Board of Trustees, or by members (in good standing) having ten percent of the votes in the Corporation.

Section 3 - **Notice of Meetings:** Written notice shall be delivered not less than twenty-five (25) nor more than sixty (60) days before the date of meeting, stating the place, day, hour, and the business to be placed on the agenda by the Board of Trustees for a vote by the members. Also to be included are the general nature of any proposed amendment to the Covenants, Articles of Incorporation, Bylaws, any budget or changes in the previously approved Budget that result in a change in assessment obligation, and any proposal to remove a Trustee. Budget that result in a change in assessment obligation, And any proposal to remove a Trustee.

Section 4 - **Proxies:** Every member shall have the right to cast his vote either in person or by proxy, duly authorized in writing and filed with the Secretary of the Corporation. A proxy shall be revocable at will, notwithstanding any other agreement or provision in the proxy to the contrary. Attendance at the meeting in person or by proxy shall constitute a waiver of notice of the meeting by the member or members so attending.

Section 5 - **Quorum:** At any meeting of the members of the Corporation quorum shall consist of not less than fifty (50) voting members present. Attendance at, and participation in meetings may be in person or by proxy.

Section 6 - **Majority Rule:** In any membership action to be taken (such as: proceedings for dissolution, merger of the Corporation, establishing current assessments, or for transfer of substantial operating assets of the Corporation to another person or party), an affirmative vote in favor of such action shall require a majority vote of members in attendance, in person or by proxy, at the Annual Meeting or Special Meeting called for that purpose.

Section 7 - **Voting Procedure:**

a. At all meetings where ballots are used, persons must be able to present evidence of identity and membership. Each membership has two votes. A proxy vote may be cast by an agent, designated in writing by the lot owner as his representative.

b. Unless otherwise provided, in any matter voted upon at meetings of members, the majority of those voting shall determine the act of the Corporation, provided, however, the Board of Trustees may, within sixty (60) days after any special or regular membership meeting in which Corporation action is determined, refer such action to the entire membership for their determination by mail ballot.

c. Where voting is by mail, balloting shall be conducted under the following procedure.

(1) Two (2) ballots (according to Section 5, Article III of these Bylaws), clearly identified as such, shall be mailed by the Secretary to each member entitled to vote, listing all issues or candidates.

(2) The member shall mark the ballots, sign in the space provided, fill in the lot and division number, seal, and mail to the Secretary of the Corporation.

(3) The voting procedure will be administered by the Vice President. The tellers appointed by the Vice President shall count ballots which are signed and received prior to an annual or special meeting and/or as voted during such meetings.

## ARTICLE V

### **BOARD OF TRUSTEES – ORGANIZATION**

Section 1 - **General Powers:** The affairs of the Corporation, its organization and commencement of business, shall be managed by a Board of Trustees which shall be composed of a minimum of five (5) to a maximum of seven (7) members of the Corporation. The BoT has the flexibility on whether or not to fill positions six (6) & seven (7) if there are not enough candidates at the Annual Meeting.

Section 2 - **Tenure, Qualification and Methods of Election:** At the Annual meeting openings on the Board of Trustees shall be elected from those individuals who are members in good standing of Colony Surf Club Inc. (members in good standing being defined as those whose assessments and other charges are current). Terms for the newly elected officers will be determined by the number of votes received by a candidate to a three (3) to one (1) year term. Candidates with the highest votes will get the longest terms.

Section 3 - **Election:** The election of Trustees shall be held at each Annual Meeting of the members of the Corporation. In the event of failure to hold an election of Trustees at any Annual Meeting, or in the event of failure to hold any Annual Meeting as provided for by these Bylaws, election of the Trustees may be held at a special meeting of the members called for that purpose.

Section 4 - **Resignations:** Any Trustee of the Corporation may resign at any time by giving written notice thereof to the President or Vice President. Such resignation shall take effect at the time specified on the resignation.

Section 5 - **Filling of Vacancies:** Vacancies created by death or resignation shall be filled by the Board of Trustees at the next scheduled meeting when the BoT falls below five(5) members.. Each person so appointed shall be a Trustee until his successor is elected by the members at the next Annual meeting. The BoT has the flexibility to fill positions six (6) & seven (7).

Section 6 - **Removal of Trustees:**

- a. The entire Board of Trustees, or any individual Trustee, may be removed from office with or without cause by a vote of the majority of the members entitled to vote, either in person or by proxy, at any meeting at which a quorum must be present. Vacancies in the Board created by this action must be filled by the members at said meeting.

b. Trustees absent from three (3) consecutive regular meetings without good cause, as determined by the Board of Trustees, will be deemed to have resigned, with no further action or notification. The Board shall appoint a replacement to fill the vacancy until the next Annual Meeting.

c. A trustee will forfeit his position on the Board by reason of having disposed of all land within the confines of Colony Surf.

Section 7 - **Appointments:** The Board, by majority vote, may at any time appoint (or revoke appointment) an Executive Secretary, Assistant Treasurer, and Water Commissioner /and Assistants.

Section 8 - **Organization Meeting:** The Board of Trustees shall meet immediately following the Annual Meeting for the purpose of electing Corporate Officers and the transaction of other business.

Section 9 - **Conduct of Meetings:** Except as provided under the section titled "Closed Meetings "and "Special Meetings," all regularly scheduled monthly meetings of the Board of Trustees shall be open for observation by all members of record and their authorized agents.

Section 10 - **Regular Meetings:** The Board of Trustees shall meet in regular session each month except December. All meetings will be held at the Colony Surf Clubhouse (normally the third Saturday of the month).

Section 11 - **Special Meetings:** Special meetings of the Board of Trustees may be called by or at the request of the President, or the Secretary, or by any two Trustees. Notice of any special meeting shall be received at least four (4) days prior to the meeting. There must be a quorum in attendance for the meeting. Any changes to documents (Rules, Internal Controls, ect.) must be put in to the minutes at the next scheduled monthly meeting.

Section 12 - **Closed Meetings:** Upon the affirmative vote in open meeting to assemble in closed session, the Board of Trustees may convene in closed executive session to consider personnel matters; consult with legal counsel or consider communications with legal counsel; and discuss likely or pending litigation, matters involving possible violations of the governing documents of the association, and matters involving the possible liability of an owner to the association.

a. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes.

- b. The Board of Trustees shall restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion.
- c. No motion, or other action adopted, passes or agreed to in closed session may become effective unless the Board of Trustees, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified.
- d. The requirements of this section shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

Section 13 - **Quorum:** A Quorum will be determined by the number of members on the BoT according to the description below:

BoT	Quorum
5	3
6	4
7	4

Section 14 – **Compensation:** No Trustee shall receive any compensation from the Corporation except for reimbursement of actual “out-of-pocket” expenses (including mileage incurred on Club business). Reimbursement for mileage to and from regularly scheduled Board Meetings is not authorized. No paid employee of the Corporation, nor his or her immediate relative, shall be a Trustee.

Section 15 – **Advisory Committee:** The Board may establish an advisory committee selected from past Board members to assist the current members. No member appointed to this committee shall have any voting rights on the Board. All special tasks assigned to this group will report through the President.

## ARTICLE VI

### **BOARD OF TRUSTEES – AUTHORITY AND RESTRICTIONS**

- Section 1 – **Authority of Trustees:** The Board of Trustees may:
- a. Hire and discharge or contract agents, independent contractors and employees of the Corporation, prescribe their duties and fix their compensation, based on recommendations by the Executive Committee.
  - b. Establish and collect assessments and other charges to be paid by the members of the Corporation annually as prescribed in Article X of these Bylaws. Power to assess for capital improvements is reserved to the Membership
  - c. Enforce and foreclose the lien of fines and assessments of the Corporation as may be necessary for the collection thereof.
  - d. Manage and conduct the affairs and business of the Corporation.

- e. Acquire by conveyance, contract, lease or otherwise, property and rights of occupancy of property for the common benefit of the Corporation; improve said property by the erection of structures, utilities and facilities; rent the same to members of the Corporation or to organizations composed of members of the Corporation, all upon such terms and subject to such rules and regulations as the Trustees may determine.
- f. Restrict use of Club facilities to only those members (and their guests) whose assessments and other charges are paid through the current year or on a schedule agreed upon in a contract between the Club and the member.
- g. Designate representatives to serve as the Architectural Control C committee for the property of the members hereof. Enforce the provisions of restrictive covenants and declarations (Architectural Guidelines) pertaining to the lands served by the Corporation.
- h. Establish an annual budget of assessments and expenditures of the Corporation and authorize the expenditure of funds for Corporate purposes, including construction and maintenance of improvements, provisions of services, payment of taxes upon common property, and accumulation of necessary and appropriate reserves.
- i. Delegate the maintenance, repair, improvement and operation of the water supply system.
- j. Recommend assessments and charges to the membership in amounts necessary to adequately finance Club operations.
- k. Procure and maintain insurance as the Board may deem appropriate.
- l. Review and recommend revisions of all corporate documents (Articles of Incorporation, Bylaws, Guidelines, Rules and Regulations) on a current and timely basis.
- m. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more owners on matters affecting Colony Surf Club, Inc., but not on behalf of owners involved in disputes that are not the responsibility of the Club.
- n. Make contracts and incur liabilities in the name of the association.
- o. Grant easements, leases, licenses, and concessions through or over the common areas and petition for or consent to the vacation of streets and alleys; and approve the vacation of water easements between properties when the owner(s) have applied to Mason County for the approval of the vacation of lot lines for the purpose of permanent construction.

**Section 2 - Responsibilities of Trustees:**

a. The Board of Trustees shall cause an annual audit by an independent certified public accountant at the end of the fiscal year (after financial statement is prepared), unless the membership votes to waive the requirement. The annual audit requirement may be waived only if sixty-seven percent of the votes cast by members, in person or by proxy, at a meeting of the Corporation at which a quorum is present, vote each year to waive the audit.

**Section 3 - Restrictions of Trustees:** The Board of Trustees may not:

- a. Have power to borrow money on behalf of the Corporation unless:
  - (1) Authorization by a majority of the members of the Corporation at a meeting of the members held for the purpose;
  - (2) Emergency conditions require (a) posting a bond for legal protection of Club property and rights; (b) emergency repair of Club service facilities (roads, structures, or water system). However, this authority to borrow emergency money shall be limited to a maximum of \$10,000.  
All Trustees must be in unanimous agreement if insufficient time is available to call a special meeting of Club members for that purpose.
- b. Sell or dispose of any club-owned real property (i.e., Clubhouse, beach road, Lake Front or water system) without the prior two-thirds majority approval of the membership. The Trustees may, however, dispose of real property which is clearly not intended for membership use (such as donated or foreclosed lots for resale, or other investments made for profit).
- c. Sell or dispose of non-real property without a two-thirds approval by the Trustees.
- d. Make political or charitable donations with Club funds.

**ARTICLE VII**

**OFFICERS**

**Section 1 - Term of Office:** Elected officers of the Corporation shall hold office for a term of one (1) year, or until their successor is qualified. Any officer may be suspended or removed by a majority vote of the Trustees.

**Section 2 - President:** The President shall preside at all meetings and shall direct the general management of the Corporation.

**Section 3 - Vice President:** The Vice President shall:

- a. Preside at meetings in the absence of the President.
- b. Act as supervisor of elections.
- c. Oversee the foreclosure process on delinquent membership account following the guidelines and timetables set forth in Article X, Section 2,1d of these Bylaws.
- d. List Incident Reports and prepare them for Surf Writer publication.

Section 4 - **Secretary:** The Secretary shall perform the following:

- a. Retain the Corporate Seal and apply to official papers as required by law and/or other requirements.
- b. Prepare, maintain, and act as custodian of all corporate records and correspondence.
- c. Provide notification, on a timely basis, for all meetings of the Trustees and Club members.
- d. Prepare comprehensive minutes of all meetings. Official minutes of all meetings will be maintained in a special folder and archived. Copies of all meeting minutes will be posted on the community bulletin board (for six months running).
- e. Provide new members with a "welcome" letter and updated copies of the Articles of Incorporation, Bylaws, Protective Covenants, all Club Guidelines, and other pertinent material.
- f. While this is normally a Secretary duty, in extenuating circumstances the Executive Committee may designate another member of the Board to assist or perform these duties.
  1. Prepare, execute, certify and record amendment to governing documents on behalf of the association, in accordance with guidance published in governing documents.

Section 5 - **Treasurer:** The Treasurer shall:

- a. Keep financial and other records sufficiently detailed to enable the Board of Trustees to fully declare to each member the true statement of its financial status.
- b. Keep safely all monies and securities of the Corporation and disburse the same under the direction of the Board of Trustees.
- c. Cause the funds of the Corporation to be deposited in a bank/credit union selected by the Trustees. The funds of the Corporation shall be kept in accounts in the name of the association and shall not be commingled with the funds of any other association, nor with the funds of any manager of the Corporation or any other person responsible for the custody of such funds.
- d. At annual meetings of the members, and at any time directed by the Trustees, the Treasurer shall issue and present a full financial statement of the Corporation.
- e. An annual budget shall be prepared by the Treasurer and submitted to the Board of Trustees with recommendations. Following Board acceptance, the budget shall be submitted for approval of the members (simple majority of votes cast) at the annual meeting. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the membership shall be continued until such time as the membership ratifies a subsequent budget proposed by the Board.
- f. Be responsible for filing liens against property owners for delinquent club assessments and charges.

**ARTICLE VIII****EXECUTIVE COMMITTEE**

Section 1 - **Definition:** The Executive Committee shall consist of the elect officers: President, Vice President, Secretary and Treasurer as designated in Article VII.

Section 2 - **Duties:** The duties of the Executive Committee shall be:

- a. To interpret established policy and to act on matters which the President shall deem advisable.
- b. To interview prospective employees and submit selection for approval of the full Board. A minimum of two (2) Executive Committee members shall participate in the selection process.
- c. To obtain an audit in accordance with the provisions of Article VI, Section 2. During those years when the annual audit is waived by the membership, the Executive Committee will obtain a Certified Public Account's opinion on all financial transactions and practices of the Corporation.
- b. To participate in all legal matters pertaining to Club business.

Section 3 - **Meetings:** Meetings may be held during the interim between Board meetings at the call of the President. For convenience, the President may poll the Board of Trustees by individual or conference calls or electronic mailing to determine action or procedure. Such authority so exercised shall be by majority vote of the Board and shall be reported on at the next meeting of the Board.

**ARTICLE IX****USE OF FACILITIES**

Section 1 - **Limits:**

- a. The Corporation, whether through its Board of Trustees or individual members, shall limit the promotion and sponsorship of Club activities to those which are for members and their guests only. Such activities may include classes, dinners, parties, group social gatherings, sporting events, and similar functions. If money is received in connection with these activities, all proceeds over expenses shall be used for Club facilities improvements. Each event shall have a designated chairman who is responsible for its management and a financial report to the Club.
- b. Use of Club facilities by other non-profit organizations (such as the local Fire District) may be authorized by the Board of Trustees with a minimum fee charged to defray normal costs. Use by these groups, however, cannot exclude the Club members from their normal uses.
- c. The Board of Trustees has the obligation to establish and enforce Club rules and regulations. These will include road use and speed limits, motorcycle use, fire control, Clubhouse, swimming pool, and beach property use, etc.

The Board, by unanimous action, may restrict members or their guests from use of Club facilities if rule and regulations are abused. Current rules and regulations will be posted on the bulletin board. It is the intent of the Club for these to be published and distributed to members annually.

- d. Gifts made to the Club shall be entered in the records by the Secretary and will include the name of the donor.
- e. The use of the Club facilities shall be extended to spouses, children, grandchildren, parents, or grandparents who reside with members at their permanent residence. All others shall be considered as guests.
- f. Members not in good standing are not entitled to use the Club's recreational facilities.

**Section 2 - The Following Restrictions Apply to all Areas of Colony Surf:**

- a. Fireworks shall not be used (high risk of fires) anywhere on Colony Surf members or common property.
- b. Hunting and/or the use of firearms/weapons of any kind is prohibited.
- c. Dumping of garbage, trash or unsightly material on Club roads or property is prohibited. All costs incurred by the Club for clean-up will be charged to the member.
- d. Existing Restrictive Covenants and Architectural Guidelines are enforced.

**ARTICLE X**  
**ASSESSMENTS AND CHARGES**

**Section 1 - General:**

- a. It shall be the responsibility of the Club's membership to provide all funds necessary to operate the Colony Surf Club, its water system and for maintaining its facilities and equipment.
- b. The Board of Trustees shall have the power and authority to establish and collect assessments, and other charges, in accordance with conditions set forth in the Articles of Incorporation and in these Bylaws.
- c. All assessments and charges shall be levied at a uniform rate on all lots to which membership is appurtenant, without preference of any kind, and accepting further such reasonable differences as may be determined by the Board.
- d. All residential lots and tracts of Colony Surf as platted are subject to assessments, charges, and liens for non-payment. This condition became effective when each lot and/or tract was sold for the first time by the Developer of Colony Surf plats, and continues thereafter in perpetuity.
- e. Any lot purchased or contracted for purchase, or acquired by any means (including gift, will, bequest, or any other form of transfer of ownership, even within families with different assessments, shall be subject to all assessments and charges as set forth in Article X, Sections 1 and 2.
- f. Members shall be responsible for payment of authorized assessments and charges.

- g. The Board of Trustees may impose and collect payments, fees, or other charges for the use, rental, or operation of the common areas pursuant to published schedules, subject to prior membership approval with the same affirmative quorum requirements for Bylaw amendments
- h. Members or their guests who cause damage to Colony Surf property or property in which Colony Surf Club has an interest (such as gates) must reimburse the Club for the cost to repair the damage. Failure pay such reimbursement shall result in the initiation of the lien process on the member's property.
- i. Temporary Guests may not reside on the member's property for more than one month at a time without the member informing the Board of Trustees of the duration of the stay.
- j. Whenever a lot is divided, the two resulting tracts each shall be considered a half-lot for purposes of dues and assessments calculations, even if they become combined with an adjacent lot as a result of a boundary line adjustment. Such a combined property shall be considered 1 and 1/2 lots, and assessed accordingly.

**Section 2 - Assessments and Charges:**

- a. Two types of assessments shall be made by the Colony Surf Club:
  - (1) General Assessments to provide all funds necessary to operate the Club, its water system, and to maintain its facilities and equipment. This assessment is made annually.
  - (2) Special Assessments to support major projects beyond the scope of the normal budgeting process, such as those resulting from a catastrophe, or those requiring significant funding over a short period. Special Assessments shall be made only after a majority approval by the membership at an Annual Meeting, or by mail ballot.
- b. Lots in Division 1, 2, and 3 are subject to an initial water system connection charge to cover the cost of bringing water to the property line. This charge does not apply to Divisions 4, 5, and 6 since it was included in the initial sale price of each lot.
- c. General Assessments will be due on or before August 15<sup>th</sup> of each year. Notification shall be mailed to each member of record not less than thirty (30) days prior to the due date. The Board of Trustees may levy reasonable fines in accordance with the schedule adopted by the Board of Trustees and forwarded to the owners for violation of the Bylaws, Rules and Regulation of the Association, including the following fine schedule.
  - 1. Unless a payment contract is in place beforehand, then assessments and charges not paid in full on or before close of business on August 15<sup>th</sup>, the account will be assessed a one-time \$200.00 late fee and accrue interest at the rate of one and a half percent (1.5%) per month, compounded monthly, on the unpaid balance until paid in full and the water service will be shut-off.

- d. The amount of any dues, fines, or assessments not paid pursuant to the terms for payment set forth by the Board of Trustees, as well as all expenses, attorney fees and costs, including title search and certificate costs, reasonably incurred in enforcing and collecting judgments for the same, shall be a lien upon the land assessed and the membership appurtenant thereto, superior to any and all other liens created or permitted by the owner of such land, and enforceable by foreclosure proceedings in the manner provided by law for foreclosure of mortgages upon land or judicial or non-judicial foreclosures of deeds of trust, at the option of the Board of Trustees, provided that no proceedings for the foreclosure of any said liens in this Article X provided, shall be commenced except upon the expiration of four (4) months from and after the date of mailing said notice of dues, fines, and/or assessments in this section described. Deficiency judgments in such foreclosure proceedings are specifically authorized.
- e. The procedure for determining the amount of General Assessment and other charges is set forth in the membership approved Section 3 to Article X of the Bylaws.
- f. The Board of Trustees, by majority vote, at their discretion and on a case-by-case basis, is hereby authorized the authority to relinquish first lien position to "Members in Good Standing" and for potential members in the process of financing a purchase when it has been determined that the first lien position is interrupting normal real estate dealings.

**Section 3 - Calculation Guidelines for Assessment and Charges:**

- a. General
  - 1. These guidelines shall be used by the Board of Trustees and the Club's Office to calculate each member's general assessment annually and/or other charges, as authorized by the Club's Bylaws, Article X, Sections 1 and 2.
  - 2. Proposed revisions to these guidelines shall be subject to the same conditions of approval as for amendments of Bylaws, as set forth in Articles 1, Section 4 of Colony Surf Bylaws.
- b. Calculation Factors
  - 1. General assessment shall be based upon:
    - 1a. A membership fee plus a lot fee for each lot owned. All lots or tracts, as originally platted or added to Colony Surf, shall be assessed at the same rate. No distinction shall be made as to where the lots or tracts are located (adjacent or geographically separated), or whether they are developed or undeveloped.
    - 1b. Each member with additional water meters in service will pay an annual fee of \$50 per meter to help defray some of the annual costs. This fee is to be included with the annual dues and assessments.

2. General Assessments shall be made annually in accordance with the following:

2a. Membership fee-----		\$100.00
Lot fee-----		\$256.00
2b. Water Assessment (per membership) -----		
Year	2016/2017	\$365
	2017/2018	\$365
	2018/2019	\$372
	2019/2020	\$383
	2020/2021	\$398
	& thereafter	
	Additional water meter services	\$50.00
2c. Road Assessment (per lots owned)		\$45.00
(\$5.00 increase per year through FY 2023)		
2d. Pool Assessment (per lot owned)		\$13.00
(per year through FY 2023 then \$6.50 per year after that.)		
2e. Common Reserve fund assessment (per lot owned)		\$19.00
(\$3.00 increase per year through FY 2023)		
2f. A one time assessment fee for outside audit voted in by members		\$28.00

3. A charge of \$450.00 shall be made to cover the cost of making an initial connection to the water distribution system to bring water service to the property line. This charge applies only to lots in Divisions 1, 2, & 3 since it was included in the initial sale price of lots in Divisions 4, 5, & 6.

In addition to the \$450.00 connection fee, a deposit of \$1,500.00 toward the total cost of the installation for materials and labor will be required. If the installation cost is less than the \$1,500.00 deposit the difference will be refunded. If the installation cost is greater than the \$1,500.00 deposit the member will be invoiced for the difference. ®

4. A property transfer fee of \$40 shall be charged by the Club to cover Club office costs. Such charge shall be made to the new owner.

5. A member may petition the Board in writing to enter into a contract with the Club to pay their dues and assessments on a monthly or mutually agreed upon basis. There will be a \$50.00 contract administration fee assessed. Any member requesting a payment contract must do so in writing prior to August 15<sup>th</sup> of each year.

If they do not make their request prior to August 15<sup>th</sup>, there will be a \$150.00 contract administration fee assessed. The petition must state the reason for the request, and the Board reserves the right to deny the request.

6. Any member paying their dues and assessments on a contract plan that fails to make their payment by the agreed upon date in the contract, will be assessed a \$35 late fee each month a payment is late. The agreed upon monthly payment is the minimum paid allowed.

If payments are missed for two consecutive months the contract will be deemed null and void and the sum of the balance owed will become due, in full immediately. When a late fee is assessed the member will be required to pay the \$35.00 fee with the next regularly monthly payment. All payments on account with a fine balance will be applied to the fine before other balances unless other prior arrangements have been approved by the board.

**Section 4 - Restrictions on Rental of Lots and/or Improvements:**

- A. No lot or improvements shall be rented to any person or entity at any time. This includes any services provided in lieu of rent payments, e.g., paying electric bills, fixing up the property, paying property taxes, Club dues or assessments, etc.; or house sitting or caretaking for over 3 months.

EXCEPTION: The Colony Surf Caretaker and/or Assistant Caretaker position may include housing as part of the compensation package. This housing is exempt from the above rule. ®

**Section 5 - Mobile/Manufactured Home Requirements:**

- A. Prior to bringing any mobile/manufactured home into Colony Surf, all of the following requirements must be met:
1. Approved Architectural Request
  2. Electrical meter base must be installed and operational
  3. Approved septic system installed and operational
  4. Water must be installed on lot
  5. Mason County building permit issued and posted on lot

NO MOBILE/MANUFACTURED HOME OVER 10 YEARS OLD FROM THE DATE OF MANUFACTURE WILL BE AUTHORIZED.

**ARTICLE XI**

**PARLIAMENTARY AUTHORITY:**

The Parliamentary Authority of this Corporation shall be Roberts' Rules of Order as Revised.

**ARTICLE XII**

**FISCAL YEAR**

The fiscal year of the Corporation shall be the period commencing July 1 and ending June 30.

**ARTICLE XIII**

**DISSOLUTION**

In the event of dissolution of the Corporation, all assets after debts are paid shall be divided on a pro-ratio basis among the membership based on the number of lots owned.

