

**After Recording Mail To:
Cape George Colony Club
61 Cape George Drive
Pt. Townsend, WA 98368**

BYLAWS OF THE CAPE GEORGE COLONY CLUB

ARTICLE I DEFINITIONS

The Cape George Colony Club (the "Club") is a Washington Nonprofit Corporation and a Homeowner's Association subject to Chapter 64.38.005 –64.38.090 of the Revised Code of Washington as now enacted and as hereafter altered, amended, or reenacted (the "Act"). All definitions in the Act are incorporated herein by this reference. The Club is also governed by the provisions of the Washington Nonprofit Corporation Act, RCW Chapter 24.03 as now enacted or as hereafter altered, amended, or reenacted (the "Nonprofit Corporation Act").

- 1) In addition to the foregoing, the governing documents of the Club (the "Governing Documents") are:
 - a) **Articles:** The Articles of Incorporation of the Club.
 - b) **Bylaws:** These Bylaws include and incorporate by this reference the Building and Maintenance of Property Rules as a part.
 - c) **Rules and Regulations** that are approved by resolution of the Board from time to time.
 - d) **Covenants:** The Agreement For Reservations, Covenants And Restrictions And Providing For Annexation of Plat dated July 8, 1963, and recorded in Volume 161, pages 548 through 555, records of Jefferson County, Washington, under Auditor's File No. 176650, and the Dedication and Restrictions for Cape George Colony recorded on the various plats of Cape George Colony.
 - e) **Plats:** Those Plats identified in the attached Exhibit "A", which is incorporated herein by this reference, including such real property as may be hereafter annexed thereto.

Without limitation to definitions appearing hereinabove, the following further definitions shall apply:

- 2) **Member:** Owner of a Lot or Lots included in the real property described in the attached Exhibit "A" or the surviving spouse or heirs or successors of such owner.
- 3) **Board:** The Board of Trustees, which is the governing body of the Club.
- 4) **Trustee:** A member of the Board.
- 5) **Rules and Regulations:** The Rules and Regulations adopted by the Club or the Board from time to time.

- 6) **Common Areas:** Property owned or otherwise maintained, repaired, or administered by the Club.
- 7) **Common Expense:** Costs incurred by the Club in order to exercise any of the powers provided for in the Governing Documents, the Act, or the Nonprofit Corporation Act.
- 8) **Lot:** A Lot included in the real property described in the attached Exhibit "A". The term shall not include certain exceptions recognized as exempt from assessment by the Board or the Courts.
- 9) **Club Manager:** A managing agent for the Club.
- 10) **Membership:** Membership in Cape George Colony Club is acquired through purchase or acquisition of a Lot.

ARTICLE II REGISTERED OFFICE AND AGENT

The registered office of the Cape George Colony Club shall be 61 Cape George Drive, Port Townsend, Washington 98368. The Registered Agent shall be the Secretary of the Board.

ARTICLE III GOVERNING BODY

A. THE BOARD.

1) The governing body of the Club is the Board, as provided in the Governing Documents, the Act, the Nonprofit Corporation Act, or as hereinafter provided. The Board shall act in all instances on behalf of the Club.

2) The Board shall consist of seven Trustees who shall be Members in good standing of legal age.

3) Neither Trustees nor members of any Committee of the Board shall receive any salary or compensation for their services. However, by resolution of the Board a sum may be fixed for tuition for such educational programs as the Board may determine to be in the best interest of the Club. Nothing herein shall preclude any Trustee from serving the Club in any other capacity and receiving compensation, therefore.

B. POWERS OF THE BOARD.

The Board shall possess and exercise the powers set forth in the Governing Documents and those powers set forth in the Act and the Nonprofit Corporation Act. The Board shall not take any action that requires a vote of the Members. The powers of the Board include but are not limited to the following:

1) **Payments, Charges, Fees and Assessments.** The Board may impose and collect payments, charges, fees, and assessments for the use, rental, or operation of the Common Areas and for the Common Expense.

The maximum annual assessment to provide funds for the regular operation and ordinary maintenance of the Common Areas may be increased each year not more than eight per cent (8%) above the actual assessment for the previous year (with \$25 being the base amount for the budget year 2001/2002), with the actual amount determined by the Board. The proposed assessment shall be presented as part of the annual budget for ratification by the membership in accordance with Article VI, A3 and A (4) and Article VIII of these By Laws. [As Amended at Special Membership Meeting, December 14, 2006, and as previously amended at Special Membership Meeting, March 14, 2002]

In addition to this assessment for the regular operation and ordinary maintenance of the Club, there shall be an annual reserve assessment collected for the future maintenance, repair or replacement of all or a portion of the Common Areas as set forth in the Club's then current reserve studies. The initial amount of this annual reserve assessment shall be \$180.00 per lot. The annual reserve assessment shall be allocated to reserves on a pro-rata basis using the Club's then current individual professional reserve studies. This reserve assessment may be increased each year without a vote of the Members if it is not more than two- and one-half percent (2.5%) above reserve assessment for the previous year, with the actual amount determined by the Board. [As Amended at the Special Board Meeting, December 09, 2014, and effective January 1, 2015]

In addition to the annual assessments authorized above, the Board may levy in any assessment year a special assessment for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common area provided that any such assessment be approved by the membership. [As amended at Special Membership meeting, March 14, 2002]

The time and manner of paying such charges, fees, and assessments shall be as specified by resolution of the Board. The Treasurer shall cause the owner(s) of each Lot subject to a payment, charge, fee, or assessment, to be notified at least one (1) month prior to the time it shall become due and payable and of the time and manner in which such payment, etc. is due. Such notification shall be given in accordance with the provisions of these Bylaws concerning Notices. If a charge or assessment is made payable on a monthly or other installment basis, notice shall be mailed or delivered upon the initial levy of the charge or assessment, but additional Notices need not be sent as the individual installments fall due.

2) **Fines, Late Charges.** The Board may impose and collect charges for late payment of payments, charges, fees, or assessments. The Board may also levy reasonable fines for violation of these Bylaws or the Rules or Regulations of the Club, which fines shall be specified in a schedule adopted by the Board and furnished to the Members.

Fines shall be imposed against Members only after Notice and an opportunity to be heard by the Board.

Notice of intent to impose such fines shall be given to Members with a Notice to appear before the Board not less than fourteen nor more than sixty days in advance of the next scheduled monthly meeting of the Board. The Notice shall be delivered in accordance with the provisions of these Bylaws concerning Notices. The Notice shall identify with particularity the Member's default(s) and the consequences of failure or refusal on the part of the Member to comply with his or her obligations to the Club or appear before the Board in response to the Notice.

3) **Employees, Agents.** The Board may appoint, terminate, discharge, fix the compensation, and provide for the duties and powers of such officers, agents, and employees as, in the judgment of the Board, shall be advisable.

4) **Rules and Regulations.** The Board shall from time to time make and publish Club Rules and Regulations as it deems appropriate to implement the letter and intention of the Governing Documents, the Act, and the Nonprofit Corporation Act.

5) **Vacancies/Unexpired Terms.** The Board shall fill vacancies in its membership of the unexpired portion of any term.

C. DUTIES AND POWERS OF OFFICERS OF THE BOARD.

Within two (2) weeks after the election of Trustees, the Board shall take office and select from their members a President, Vice President, Secretary, and Treasurer. The duties and powers of officers of the Board shall be as follows:

1) **The President:** The President shall be the chief executive officer of the Club, and shall preside at all meetings of the Club and of the Board. The President shall rule on all matters of procedure and decorum during such meetings. The decisions of the President on these matters shall control the conduct of meetings and be binding upon both the Trustees and Members of the Club.

The President, as chief executive officer, shall have the power to administer Club activities including but not limited to the power to appoint committees from among the Board or the Members from time to time as the President may in his or her discretion deem appropriate to assist in the conduct of the affairs of the Club.

2) **The Vice President:** The Vice President shall have all the powers and authority and perform all of the functions and duties of the President in the absence of the President or his or her inability for any reason to exercise such powers and functions or perform such duties.

3) **The Treasurer:** The Treasurer shall have oversight responsibility for Club funds and shall be responsible for causing to be kept full and accurate accounts of all receipts and disbursements in the books belonging to the Club. The Treasurer shall have oversight responsibility for deposits of all monies and other valuable effects in the name and to the credit of the Club in such depositories as may from time to time be designated by the Board.

Club funds shall not be commingled with the funds of any other entity nor with the funds of any manager of the Club or any other person whether responsible for the custody of such funds or not. The Treasurer shall be responsible for supervision of the Club's Managing Agent with respect to funds of the Club and financial and other records as hereinafter provided.

The Treasurer shall cause all financial records of the Club to be kept in a manner sufficiently detailed to enable the Club to fully declare to each Member the true statement of its financial status. All financial and other records of the Club, including but not limited to checks, bank records, and invoices in whatever form they are kept, are the property of the Club.

4) **The Secretary:** The Secretary shall have oversight responsibility for minutes of meetings of the Board and minutes of the meetings of the Club. The Secretary shall have oversight responsibility for calling the elections and assuring their proper conduct, for recording election results, and for maintaining election records. The Secretary shall have oversight

responsibility for all Lot records, books, and papers and will be the legal liaison of the Club in matters pertaining to said records.

The Secretary shall require a complete list of Members and their registered mailing addresses to be compiled and kept up-to-date at the principal office of the Club. Such list shall also show opposite each Member's name the number or other appropriate designation of the Lot or Lots owned by such Member. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect same at reasonable times during business hours.

The Secretary shall cause all Notices and announcements of meetings of the Board or the Members to be delivered in the manner and at the times required by law or these Bylaws.

ARTICLE IV MEMBERSHIP

1) The Members of the Club shall at all times consist exclusively of the owners of a Lot or Lots, both developed, or undeveloped. In order to be eligible for membership, a person must have entered into a real estate contract to purchase a Lot(s) or have acquired title to a Lot(s). The Governing Documents require each and all purchasers or owners of Lots to be Members of the Club.

2) A voting membership is acquired upon the purchase of a Lot. The Club shall have but one class of voting membership. The owner or owners of each individual Lot shall have one vote in the affairs of the Club. The owner or owners of each individual half Lot shall have one-half vote in the affairs of the Club.

A membership shall be held by, and a Member must be, a person of legal age, a partnership of persons of legal age, a corporation, or a trust.

Membership is not assignable or transferable except upon sale of a Lot or other transfer of title. Membership terminates immediately upon transfer of title.

3) **Membership Rights.** A Member in good standing is entitled to use the roads, receive water service, use the Common Areas and facilities of the Club, and said Member may vote in Club elections.

If a Lot is purchased as Tenants in Common or Joint Tenancy, all members of that community or relationship shall enjoy all rights and privileges of membership (provided their membership remains in good standing as hereinafter provided), and they shall hold a voting membership. Only one member shall cast that Lot's vote in Club elections.

4) **Membership Obligations.** Members shall pay such payments, charges, fees, assessments, late charges or fines as may be imposed from time to time by the Board or the Members.

2) **Members Not in Good Standing.** A Member is not in good standing if, (a) at any given time, such Member has not paid all Club payments, charges, fees, assessments, late fees, and/or fines within 30 days of their due date, or (b) the Member is in violation of the Governing Documents or the Rules and Regulations of the Club as promulgated by the Board or the Club from time to time.

ARTICLE V ELECTIONS

The announcement of the newly elected members of the Board shall take place at the annual meeting of the Members. The election of Board members shall be conducted only by mail in accordance with the Election Procedures approved by the Board. In 2007 only, four (4) trustees will be elected. The two (2) nominees receiving the highest number of votes shall each serve three (3) year terms. The two (2) nominees receiving the next highest number of votes shall each serve two (2) year terms of office. From 2008 on, elections shall follow a three year cycle. In the first year, the three nominees receiving the highest number of votes shall each serve three (3) year terms and in each of the next two (2) years, the two (2) nominees receiving the highest number of votes shall each serve three (3) year terms. Starting in 2009, after six (6) consecutive years in office as an elected Trustee, a Trustee is ineligible for office for one (1) year. In the event of a tie vote of the Members in a Board election or a tie vote among the Board for an officer or officers of the Board, the winner shall be determined by lot by the Board. [As amended at Special Membership meeting, December 14, 2006]

The Members by a majority vote of the voting power in the association present, in person or by proxy, and entitled to vote at any meetings of the Members at which a Quorum is present, may remove any member of the Board with or without cause.

ARTICLE VI MEETINGS

Robert's Rules of Order shall be recognized as the authority governing all meetings when not in conflict with law, the Articles of Incorporation hereof, or these Bylaws.

A. MEETING OF THE MEMBERS

1) A meeting of the Members shall be held at least once each year. The Annual Meeting of the Members shall be held on the third weekend of July of each year, or at such other time as the Board may determine, at the Cape George Colony Club Community Center or at such other place in Jefferson County, Washington, on a date and time specified by the Board. The Secretary shall mail or deliver to each Member written Notice of the time and place of such meeting at least thirty (30) days but not more than sixty (60) days prior to the appointed time. The Notice shall state the time and place of the meeting and refer to the business to be placed on the agenda by the Board for a vote by the Members. If for any reason, the Annual Meeting cannot be held as herein provided, a delayed Annual Meeting may be called and held upon giving a like Notice in accordance with the provisions of these Bylaws concerning Notices.

2) Special meetings of the Club may be called by the President or a majority of the Board or by Members having ten percent (10%) of the votes in the Club and will be held at a place in Jefferson County, Washington, convenient to the Members. Upon a receipt of a request in writing from said Members or majority of the Board setting forth the proposed Special Membership Meeting, the Board shall fix a time and place for such meeting and shall cause written Notice thereof, setting forth the time, place, and purpose of the meeting, to be given

each Member by personal delivery or by mail in accordance with the provisions hereof for Notices.

3) **Quorum of Members.** A quorum of Members in good standing must be present in person or by written proxy, the form of which has been approved by the Board, for the transaction of business at the Annual Meeting of the Club and at Special Meetings of Members where the outcome is dependent on a vote of the Members. A quorum for such meetings is twenty-five percent (25%) of the total Cape George membership in good standing at the time the votes are tallied. Meetings may be adjourned if a quorum is not present. Notice of the adjournment and the meeting's rescheduled time, date and place and duplicate supporting materials shall be provided to Members in accordance with the provisions of these Bylaws concerning Notices.

4) **Matters Requiring a Vote of The Members.** The following matters shall require a majority vote of the Members at an annual or special meeting at which a Quorum of Members is present:

- a) Election of Trustees,
- b) Any proposal to determine the number, qualifications, powers, duties, or terms of office of members of the Board or to remove a trustee, (provided that the Board shall fill vacancies in its membership of the unexpired portion of any term),
- c) Any proposed amendment to the Bylaws or Building Regulations,
- d) Any budget or changes in the previously approved budget as ratified by the Members that results in a change in assessment obligation,
- e) Any proposed Special Assessment pursuant to Article III.B(1) of these Bylaws,
- f) The annual proposed Reserve Account expenditures for the prospective budget year pursuant to Article VIII, Sec 1 of these Bylaws,
- g) Any unapproved non-bona fide emergency and/or excess Reserve Account expenditures pursuant to Article VIII, Sec 1b) and c) of these Bylaws.

5) **Matters Requiring a 67% Vote of the Members:** The following matters shall require a 67% vote of the Members voting at an annual or special meeting at which a quorum of Members is present:

- a) Any proposed amendment to the Articles of Incorporation,
- b) Any proposal to waive the annual audit,
- c) Any proposal to terminate the Club.

6) **Annual Budget.** The annual operational budget shall be ratified by a vote of the Members as outlined in Article VIII of these Bylaws.

B. MEETING OF THE BOARD.

1) Regular meetings of the Board for the purpose of administration of the affairs of the Club shall be held once each month at a time and place determined by a majority of the Board, and announcement of such meetings will be posted on the bulletin boards and printed in the monthly newsletter.

2) Additional meetings may be called at such other times as the interests of the Club require, as determined by the President or a majority of the Board. Announcement of additional meetings of the Board shall be posted on the bulletin boards in the community no less than 48 hours prior to said meeting except that the President may determine that it is in the best interest of the Club that an emergency meeting be convened without such notice.

Meetings may be adjourned to another time and place from time to time in the event that a Quorum of the Board does not appear or business to be conducted is not completed prior to adjournment. Announcement of adjournment to another time and place shall be posted at the door of the place from which a meeting has been adjourned and on the community bulletin boards.

3) Except as provided in this subsection, all meetings of the Board shall be open for observation by all Members and/or their authorized agents. The Board shall keep minutes of all actions taken by the Board; such minutes shall be available to all Members. Upon affirmative vote in open meeting to assemble in closed session, the Board may adjourn to such closed 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, and matters involving possible liability of a Member to the Club.

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. The Board shall restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion.

No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the Board, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion or other action that is reasonably identified. The requirements of this subsection shall not require the disclosure of information in violation of law or information that is otherwise exempt from disclosure.

4) **Quorum of the Board.** A majority of the Board shall constitute a Quorum for the transaction of business, and a majority of such Quorum shall determine any question except as otherwise provided by law, the Governing Documents, or the Nonprofit Corporation Act. If a Quorum is not present, the majority of those Trustees present may adjourn to such future time and place, as they shall determine, and notification of such meeting shall be given to Trustees and Members as herein provided for meetings of the Board; three Trustees shall constitute a Quorum at such deferred meeting.

5) **Vacancies.** All vacancies on the Board by reason of death or otherwise, shall be filled by appointment by the remaining Trustees, even though less than a Quorum be present. A Trustee thus appointed to fill any vacancy shall hold office for the unexpired term of his or her predecessor.

6) **Committees of the Board**. The Board may, by resolution passed by a majority of the Trustees, form and/or disband such committees of the Board as it, in its discretion, determines to be appropriate. The Board shall appoint the chairman of the committee, and the committee shall consist of no less than 3 Members. A charter and/or policy regarding each committee shall be prepared by the committee and approved by the Board. At least annually said charter and/or policy shall be reviewed by the President and the Club Manager and a recommendation made to the Board on necessary revisions, if any.

ARTICLE VII CLUB MANAGER

The Club Manager shall be a Managing Agent of the Club and shall be appointed by the Board to serve at its pleasure. The Club Manager shall report to the Board President. The Club Manager shall perform such duties as the Board may assign from time to time. Among such duties are the following:

1) The Club Manager shall be responsible for the business affairs of the Club and its day-to-day administration.

2) The Club Manager shall keep all records of the Club at the Club office during normal working hours, including the names and addresses of Members and other occupants of Members' Lots. Upon reasonable advance notification records shall be available for examination by all Members, holders of mortgages on the Lots, and their respective authorized agents. The Club Manager shall not release the unlisted telephone number of any Member.

Acting on behalf of the Club, the Club Manager may impose and collect a reasonable charge for copies and any reasonable costs incurred by the Club in providing access to records.

ARTICLE VIII BUDGETS

1) Within thirty days after the adoption by the Board of any proposed regular operational budget of the Club, the Board shall set a date for a meeting of the Members to consider ratification of the budget. Such meeting shall be held not less than fourteen nor more than sixty days after mailing of the budget summary. Unless at that meeting the votes of a majority of the Members reject the budget, the budget is ratified, whether or not a Quorum is present; such vote may be in person or by proxy.

The budget summary mailed to the Members shall include a list of the projected reserve account expenses for the budget year. The Members shall have the opportunity to vote on the list of projected reserve account expenses separately from the rest of the budget.

a) If the list of projected reserve account expenses is approved by a majority of the Members who voted at the meeting, the Board need not seek any further Member approval of those projected reserve account expenses.

b) If a proposed reserve account expense was not approved as part of this process and is over \$50,000 (as indexed for inflation from the date of adoption of this amendment), then the Board shall submit it to the Members for approval by a majority vote as outlined in Article VI(A)(3) of these Bylaws.

- c) If a reserve account expense was approved as part of this process but later exceeds the budgeted amount by twenty-five percent (25%), then the Board shall submit it to the members for approval by a majority vote as outlined in Article VI(A)(3) of these Bylaws.
- d) In the event of a bona fide emergency, the Board may be required to authorize the expenditure of reserve account funds. In such an emergency, the Board need not seek Member ratification as required in (b) and (c) above.

2) Reserve accounts for the construction and maintenance of facilities, including but not limited to water facilities, roads, community buildings, pool, and marina, shall be established and set up as designated accounts. The Board, by a majority vote of all Trustees, may authorize a loan from designated reserve accounts.

3) In no case may any operating budget submitted to the Members for ratification propose expenditures greater than revenues.

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

ARTICLE IX RESERVES, RESERVE STUDIES AND RESERVE DISCLOSURES

All references in Article IX are subject to the provisions of RCW 64.38, the "Act," as now enacted and as hereafter altered, amended, or reenacted. In any dispute, discussion or clarification of Article IX, the provisions of the "Act" shall control.

1) The association is encouraged to establish and maintain distinct and identifiable reserve accounts to fund major maintenance, repair, and replacement of common elements that will require major maintenance, repair, or replacement within thirty years. The board of directors is responsible for administering the reserve account.

2) Unless doing so would impose an unreasonable hardship, the association shall update the reserve study annually. At least every three years, an updated reserve study must be prepared and based upon a visual site inspection conducted by a reserve study professional. The first reserve study prepared by a reserve study professional for Cape George was completed in 2014.

3) The decisions relating to the preparation and updating of a reserve study must be made by the board of directors in the exercise of the reasonable discretion of the board. The decisions must include whether a reserve study will be prepared or updated, and whether the assistance of a reserve study professional will be utilized.

4) A reserve study must include the specific elements detailed in RCW 64.38.070.

5) A reserve study must also include the following disclosure: "This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement.

The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component."

6) The association may withdraw funds from its reserve account to pay for unforeseen or unbudgeted costs that are unrelated to maintenance, repair, or replacement of the reserve components. The board of directors shall record any such withdrawal in the minute books of the association, cause notice of any such withdrawal to be hand delivered or sent prepaid by first-class United States mail to the mailing address of each owner or to any other mailing address designated in writing by the owner, and adopt a repayment schedule not to exceed twenty-four months unless it determines that repayment within twenty-four months would impose an unreasonable burden on the owners. Payment for major maintenance, repair, or replacement of the reserve components out of cycle with the reserve study projections or not included in the reserve study may be made from the reserve account without meeting the notification or repayment requirements under this section.

7) Monetary damages or any other liability may not be awarded against or imposed upon the association, the officers or board of directors of the association, or those persons who may have provided advice or assistance to the association or its officers or directors, for failure to: Establish a reserve account; have a current reserve study prepared or updated in accordance with the requirements of this chapter; or make the reserve disclosures in accordance with this chapter.

8) As part of the summary of the operational budget provided to all owners, the board of directors shall disclose to the owners all of the elements specified in RCW 64.38.025 including but not limited to the funding rate as recommended in the fully funded reserve study, the association's funding rate, additional future assessments that may be necessary and projected year end reserve balances for each of the next thirty years.

ARTICLE X AUDITS

At least annually, the Club shall prepare, or cause to be prepared, a financial statement of the Club. The financial statement of the Club shall be audited at least annually by an independent certified public accountant. Said audit may be waived if sixty-seven percent (67%) of the Members in Good Standing, voting in person or by proxy at a meeting of the Club at which a Quorum is present, vote each year to waive the audit.

ARTICLE XI RENTAL PROPERTY

A Member may rent out his or her Cape George house and appurtenant structures to any person or entity for residential purposes only. The Member shall be financially responsible for the tenant's violations of the governing documents and for damages to Cape George property caused by the tenant.

ARTICLE XII INDEMNIFICATION & LIMITATION ON LIABILITY

- 1) **Definitions.** The definitions contained in Section 105 of the Washington Business Corporation Act, Title 23B RCW, are adopted and made a part of this Article XI.
- 2) **Right to Indemnification.** Each person who was or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any proceeding by reason of the fact that he or she is or was a Trustee or Officer of the Club shall, as a contract right, be indemnified and held harmless by the Club to the full extent permitted by applicable law, including, without limitation, the Washington Business Corporation Act, Title 23B RCW as then in effect, against all expenses, liability and loss (including attorneys' fees, judgments, fines, and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith.
- 3) **Nonexclusivity of Rights.** The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right that any person may have or hereafter acquire under any statute; provision of the Articles of Incorporation; Bylaws; agreement; vote of Members, if any; or vote of disinterested Trustees or otherwise.
- 4) **Insurance, Contracts and Funding.** The Club may maintain insurance at its expense to protect itself and any Trustee, Officer, employee, or agent of the Club.
- 5) **Indemnification of Employees and Agents of the Club.** The Club may, by action of its Board, from time to time provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the Club.
- 6) **Limitation of Liability.** Trustees shall have no personal liability to the Club or its Members for monetary damages for acts or omissions as a Trustee unless such acts or omissions involve intentional misconduct by a Trustee, a knowing violation of law by a Trustee, or a transaction from which the Trustee will personally receive a benefit in money, property, or services to which the Trustee is not legally entitled.

ARTICLE XIII NOTICES

- 1) Except as provided in Article VI, B of these bylaws, any notice, request, demand, instruction, or other document to be given hereunder ("Notice") to any Member shall be effective for any purpose if either personally delivered to the Member at the address filed by the Member at the Registered Office of the Club or delivered by First Class U.S. Mail or, at the option of the Board or the Secretary, by registered or certified mail, postage prepaid, return receipt requested.
- 2) Notice shall be deemed to have been given when personally delivered or three (3) days following deposit in any United States post office box in the State of Washington, postage prepaid, addressed as set forth above. The address and addressees for the purpose of this paragraph may be changed by giving written Notice of such change in the manner herein provided for giving Notice. Unless and until such written Notice is received, the last address and addressee as stated by written Notice, or provided herein if no written Notice of change has

been sent or received, shall be deemed to continue in effect for all purposes hereunder.

**ARTICLE XIV
SEVERABILITY**

If a court of competent jurisdiction shall adjudge to be invalid or unconstitutional any clause, sentence, paragraph, section or part of these Bylaws, such judgment or decree shall not affect, impair, invalidate, or nullify the remainder of these Bylaws, but the effect thereof shall be confined to the clause, sentence, paragraph, section, or part of these Bylaws so adjudged to be invalid or unconstitutional.

**ARTICLE XV
ATTORNEYS FEES AND VENUE**

In the event any Member, person, or entity brings any action at law or in equity to interpret, construe, enforce, or void these Bylaws or any portion or provision hereof, the court may award reasonable attorney's fees and costs of suit to the prevailing party as part of its judgment. Venue for such action shall be in the Superior Court of Jefferson County, Washington, at Port Townsend.

**ARTICLE XVI
SUPERSESION**

All prior Bylaws of the Club are hereby superseded, revoked, and rendered null and void. Approved by the membership of Cape George Colony Club on February 21, 1996, and as amended at Special Membership Meetings on March 14, 2002; December 14, 2006; December 6, 2007; December 7, 2009; December 11, 2012; December 9, 2014, December 10, 2015, December 15, 2016 respectively; December 11, 2018 and July 15, 2023.

DATED this 15th of July 2023

Jane Ludwig, President

Pat Gulick, Secretary
