

## **SUNDAY HARBOR COMMUNITY ASSOCIATION BYLAWS**

The following shall be the Bylaws of Sunday Harbor Community Association, hereafter referred to as the Corporation. The period of duration shall be perpetual.

### **ARTICLE I**

#### **Section 1. Purpose and Powers**

1.1 **Purpose – Governance of Common Interest Community.**

This corporation is organized to manage and self-govern a real property subdivision (the “Community”) known as “Sunday Harbor”, in Whatcom County near Blaine, Washington, pursuant to the terms and conditions of that certain DECLARATION OF RESTRICTIONS, EASEMENTS AND RESERVATIONS FOR SUNDAY HARBOR which has been recorded at Auditor’s File No. 1063183 among the land records of Whatcom County, Washington (“the Covenants”); and to engage in any other lawful business for which corporations may be formed under the Washington Nonprofit and Mutual Corporation Act 24.06; not inconsistent with the Covenants.

1.2 **Powers:**

Except to the extent expressly prohibited by the Covenants, this Corporation shall have all powers granted to homeowners associations pursuant to the Homeowners Act, RCW 64.38.

1.3 **Successor to Rights & Responsibilities of Unincorporated Association:**

This Corporation is the lawful successor to the unincorporated association described in the Covenants as “Sunday Harbor Community Council”, which was incorporated in 1973 under the name “Sunday Harbor Community” but which was reincorporated in 1990 under the name “Sunday Harbor Community Club”: following a lapse of the earlier entity’s charter; the corporate charter for Sunday Harbor Community Club lapsed in 2001 and the association has been unincorporated since that time. It is intended that SUNDAY HARBOR COMMUNITY ASSOCIATION shall succeed to all rights and responsibilities of both “Sunday Harbor Community” and “Sunday Harbor Community Club: and of the unincorporated association subsequent to 2001.

### **ARTICLE II**

#### **Section 1. Membership**

1.1 **Qualification:**

Each fee owner, or real estate contract vendee of a lot in the community, shall be a member of the Association. Ownership of a lot shall be the sole qualification for membership in the Association, and the membership of the Association at all times shall consist exclusively of all the lot owners.

1.2 Transfer of Membership:

The Association membership of each lot owner shall be appurtenant to the lot giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except upon the transfer of title to said lot and then only to the transferee of title to such lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new owner thereof.

1.3. Rights and Privileges of Membership

Each membership appurtenant to a lot shall entitle the persons owning or residing on that lot and their immediate families to all of the privileges and rights of membership except for voting privileges as set out in Section 1.5. All privileges may be suspended as in Section 1.4. In the event that a corporation or partnership shall be the owner of a lot, then it shall have the right to name the persons, not in excess of eight for each lot it owns, who shall be entitled to the rights and privileges of membership, except said voting privileges.

1.4. Suspension of Membership

By unanimous vote of the Directors of the Corporation present at any meeting called for the purpose of suspending rights and privileges of membership, any person or persons entitled to the rights and privileges of membership may be suspended therefrom (a) for nonpayment of charges due the Corporation until such time as the same are fully paid, or (b) for failure to comply with the rules and regulations of the Corporation for such period of time as the Directors deem advisable, not to exceed one year. If suspension is for failure to comply with the rules and regulations, the suspended person may appeal to the next meeting of membership, which may overrule or modify the decision of the Directors by vote of 80 percent of the membership present, excluding proxies. No such suspension shall relieve or discharge the membership from its obligations to pay charges to the Corporation. The Directors shall suspend no person or persons from the rights and privileges of membership unless such person or persons shall have been notified of such proposed action, in writing at least 15 days prior to the date of suspension.

1.5. Voting

Each member (titleholder) shall be entitled to one vote for each lot owned by such member on each matter submitted to a vote of the members. A member may vote in person or by mail or by proxy executed in writing by the member or by his duly authorized attorney-in-fact; provided, that no proxy shall be valid for more than eleven months from the date of its execution unless otherwise specified in the proxy. Proxies must be filed with the corporate secretary prior to the meeting. Whenever a vote of the membership is to be taken for any purpose, such vote may be taken by mail, if the name of each candidate and the text of each proposal to be so voted upon are set forth in a writing accompanying or contained in the notice of the meeting. Persons voting by mail shall be deemed present for all purposes.

Corporate owners shall exercise their vote by their officers present or persons designated by the corporate president. If any persons or corporations shall be entitled to more than two memberships because of ownership of more than one lot, they shall have one vote for each membership.

1.6. Meetings of the Membership

May (revised 5-21-22)

There shall be an annual meeting of the membership in ~~April~~ of each year which meeting shall be held on the date and time and at the place as the Directors may establish in Whatcom County, Washington.

1.6.1 Special Meetings of the Membership

Special meetings of the members may be called at any time for the purpose of considering matters which by the terms of the Homeowners' Associations Act or the Covenants require the approval of all or some of the members, or for any other reasonable purpose. Such meetings shall be called by written notice by the Secretary upon the decision of the President, or after request signed by a majority of the Board, or by written request by the Members having that percentage (20%) of the total votes specified in the Bylaws.

1.6.2 Notice of Members' Meetings:

Except as hereinafter provided, notice of any meeting of the members of the Association shall be given not less than fourteen (14) nor more than sixty (60) days in advance of the meeting. Notice of regularly scheduled members' meetings (other than the annual meeting) may be given by providing each member with the adopted schedule of regular meetings for the ensuing year at any time after the annual meeting

1.6.3 Quorum

A quorum of membership (titleholders) present at a meeting shall be ten percent (10%) of membership.

1.7. Fees and Assessments

The Directors may establish initiation fees for memberships. By vote of two-thirds of the Directors, annual charges will be assessed against the membership in amount determined by the Directors from time to time to be necessary to meet the current operational expenses of the Corporation, and for the maintenance, improvement, reconstruction and repair of its properties, and other facilities made available to the membership.

The membership shall be obligated to the assessments and charges made by the Sunday Harbor Community Council prior to incorporation.

1.8. Budget

The Directors shall prepare and submit to the membership by mail prior to each annual meeting of the membership, a proposed budget of the Corporation for the fiscal year commencing July 1 and ending June 30.

Such proposed budget will require acceptance by vote of two-thirds of the members present, or by proxy at the meeting. The budget is ratified whether or not a quorum is present (RCW 64.38.025, paragraph 3) The Directors may not expend more than the total amount of such budget and shall not be obligated to the allocation of funds provided for therein; provided, however, if the Directors unanimously determine a bona fide emergency exists, they may make such additional expenditures as they deem necessary to meet such emergencies. The budget may be revised from time to time with the majority of membership voting at any meeting called for that purpose. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the owners shall be continued until such time as the owners ratify a subsequent budget proposed by the board of directors. (RCW 64.38.025 paragraph 3)

1.9. Transfer of Membership

Although membership in the Corporation shall be appurtenant to and pass with the ownership of lots as aforementioned, the Corporation shall not be liable to ascertain ownership of any lot or the ownership of the membership appurtenant thereto until its secretary has received actual written notice of a change in ownership. The Directors may establish a service charge to be paid for transfer of membership.

1.10. Privileges of Non-Owners

The Directors may establish terms and conditions upon which persons other than those entitled to the rights and privileges of membership as provided above, may be extended privileges for use of Sunday Harbor Community Association facilities.

(Note: The membership must be exclusively owners of the lots.)

## ARTICLE III

### Section 1. Directors

1.1. Powers and Duties

The management of the property, interests, business and affairs of the Corporation shall be vested in the hands of a Board of Directors consisting of seven individuals elected from the members of the Corporation. The Board of Directors shall all be voting members of the Corporation and shall have the power to select a president, vice-president, secretary and treasurer and any other employees deemed necessary for the Corporation. The treasurer may be bonded. In this regard the secretary and treasurer need not be selected from the membership of the Corporation.

The Directors as named in the Articles of Incorporation shall serve until the next annual meeting of the voting members of the Corporation and/or until their successors are elected and qualified.

1.2. Terms

At the first annual meeting of the membership in 1974 three Directors shall be elected for a term of one year, four Directors for a term of three years, thereafter new

Directors shall be elected at each annual meeting of the membership for a term of two years and until the election and qualification of their successors. Any vacancy occurring on the Board of Directors may be filled by the action of the remaining Directors for the remainder of the term in which the vacancy occurs.

1.3. Meetings

There shall be an annual meeting of the Board of Directors immediately following the annual meeting of the membership and such other special meetings of the Board of Directors as they deem advisable. Special meetings of the Board of Directors may be called by the corporation president or any Director by giving oral notice thereof to all the Directors. The Board of Directors shall have the power to request the resignation of any Director who shall fail to attend three successive meetings of the Directors without just cause provided; however, that any decision removing a Director shall be by the unanimous vote of the Board of Directors.

1.4. Quorum

A majority of the Directors shall constitute a quorum for the transaction of business.

1.5 Officers

1.5.1 President

The president or the vice-president, in the absence of the president, shall preside at all corporate meetings. The secretary shall keep and have custody of all the corporate records.

1.5.2 Treasurer

The treasurer shall have custody of, account for and disburse the corporate funds. The Directors may designate persons from time to time who may draw checks and convey property on behalf of the Corporation. The Directors are authorized, if they deem necessary, to hire a general manager for the operation of the Corporation. The general manager may be designated such authority as the Directors deem advisable from time to time as well as other employees as may be necessary or desirable in the opinion of the Directors. The Directors may authorize such compensation as they deem advisable to the officers and employees of the Corporation for the services performed.

1.5.3 Secretary

The secretary shall keep at all times a current list of the persons or firms in whose names the membership stands and of the persons entitled to the rights and privileges of membership and shall cause all notices of meetings to be given as herein provided.

1.6 Rules and Regulations

By two-thirds vote the Directors may adopt rules and regulations from time to time, which shall be applicable to all memberships appurtenant to lots for the use of the corporate facilities. Such rules and regulations shall be subject to modification or



changes at any time by vote of 80 percent of the membership present in person or by proxy at any meeting called for that purpose.

1.7 Surplus funds

The Directors may establish such surplus funds and reserve funds as they deem necessary to the end that the corporation shall be in sound financial condition to meet its obligations and maintain its property. The Directors may authorize such contracts and other corporate obligations as they deem necessary or advisable for the property maintenance and development of the corporate property. The borrowing of funds is to be authorized by vote of 80 percent of the membership present in person or by proxy at any meeting called for that purpose. Each officer shall perform such other duties as the Directors may direct from time to time.

If and whenever the Board of Directors determines that the Corporation has accumulated more funds than are necessary to accommodate the Corporation's current and anticipated needs, including the funding of reserves to meet contingencies, the Corporation may distribute all or any portion of such excess, as determined by the Board of Directors, equally to all members or in such other proportions as may be authorized by the Covenants, subject to set-off for any amounts owed by any member(s) to the Corporation, or credit the surplus, pro rata, to the accounts of such members to reduce their future assessment obligations.

1.8 Removal from Office

The officers and/or directors may be removed from office in the following manner. Any voting member officer or Director may present charges against any Director or officer by filing them in writing with the secretary of the Corporation. If presented by a voting member, the charges must be accompanied by a petition signed by 10 percent of the voting membership of the Corporation. Such removal shall be voted on at the next regular or special meeting of the voting members and shall be effective, if approved by vote of the majority of the voting members.

The Director and/or officer against whom such charges have been presented shall be informed, in writing, of such charges five days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses, and the person or persons presenting such charges against him shall have the same opportunity. If the removal of an officer or Director is approved, such action shall also vacate any other office held by the removed Director and/or officer in the Corporation. Should a vacancy arise out of such removal, such vacancy shall be immediately filled by a vote of the majority of the members present and voting at such meeting. The vacancy in any officer position so created, shall be filled by a majority vote of the Directors after the vacancy in the Board has been filled.

1.9. Standard of Care

Except as otherwise provided, the board of directors shall act in all instances on behalf of the association, in the performance of their duties, the officers and members of the board of directors shall exercise the degree of care and loyalty required of an officer

or director of a corporation organized under chapter 24.03 RCW. (RCW 64.38.025, paragraph 1)

1.10. Indemnification.

A member of the board of directors or an officer shall not be individually liable to the corporation or members in their capacity as members for conduct within his or her official capacity as a director or officer except for acts or omissions that involve intentional misconduct or a knowing violation of the law.  
(RCW 24.06.035)

ARTICLE IV

Section 1. Amendments

At any annual meeting or any meeting called for that purpose, these Bylaws may be amended by two-thirds vote of all of the membership.

ARTICLE V

Section 1. Dissolution

The Corporation may be dissolved and its affairs wound up voluntarily by the written request of two-thirds of the members, addressed to the Directors, specifying reasons why the winding up of the affairs of the Corporation is deemed advisable and naming three persons who are entitled to the rights and privileges of membership to act in liquidation. The request shall be filed with the Directors, the Secretary of State and the County Auditor where the principal place of business of the Corporation is located. Thereupon the power of the Directors shall cease and the persons appointed shall proceed to wind up the Corporation, realize its assets, pay its debts, and divide the residue of the money among its memberships in equal proportions subject to set-off for any amounts owed by any member(s) to the Corporation. The request shall state the time for completing the winding up and dissolution during which time these matters shall be completed unless further time is granted in writing signed by two-thirds of the members and filed as requested by law.

The foregoing are the Revised Bylaws of Sunday Harbor Community Association adopted by vote of the membership April 25, 2009.

Attest:

President	Sharie Kernan-Wilder
Secretary	Dee Hibbeler