

**DRIFTWOOD KEY CLUB
MEMBER HANDBOOK**



DRIFTWOOD KEY CLUB

**DRIFTWOOD KEY CLUB
MEMBER HANDBOOK
PREFACE¹**

This handbook is a compilation of the rules and regulations of Driftwood Key that directly affect you as an owner of a lot in Driftwood Key.

These rules and regulations consist of Governance Documents, and Policies and Procedures. The term "Governance Documents" means those documents relating to the governance of the Driftwood Key community that have been approved by the members. These are the Protective Covenants, the Articles of Incorporation of Driftwood Key Club, the Bylaws of the Club, and the Architectural Control Committee (ACC) Rules of the Club. The term "Policy and Procedure" means any rule or regulation relating to the governance of the Driftwood Key community that has been adopted by the Club under its authority and powers.

Of the Governance Documents, the most important are the Protective Covenants (Section I). This is a set of undertakings relating to your property that has been recorded with the Kitsap County Auditor. The area known as Driftwood Key has been platted into 14 different sub-divisions, each with its own set of Protective Covenants. For the most part, the Protective Covenants for all sub-divisions are identical. Differences are noted in the integrated document that is included in this Handbook.

The remaining Governance Documents take their authority from the Protective Covenants. The Articles of Incorporation (Section II) of Driftwood Key Club, of which every lot owner in Driftwood Key is a member, set forth the authority and powers of the Club and of your elected representatives, the Board of Trustees, to govern the community according to the Protective Covenants, and to own and govern Club property. The Articles are recorded with the Secretary of State. The Bylaws (Section III) set forth the specific rules by which the Driftwood Key Club acts, and the ACC Rules (Section IV) set forth rules for the use of property within Driftwood Key with particular emphasis on the construction of structures on Driftwood Key lots.

The Policies and Procedures (Section V) deal with very specific rules and regulations that regulate the actions of the Board and members in dealing with Club business and Club property.

The handbook concludes with a Schedule (Section VI) of the current dues, assessments, and fees of the Club.

Please take the time to review and become familiar with this handbook. Any questions should be directed to the Board of Trustees, in writing, by leaving a message or voicemail, or by sending an e-mail, to:

Driftwood Key Club
37608 Vista Key Drive
P.O. Box 299
Hansville, WA 98340
360-638-2077
360-638-2321 (fax)
driftwoodk@centurytel.net

¹ This Handbook is current as of February 15, 2008.

**DRIFTWOOD KEY CLUB
MEMBER HANDBOOK**

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SECTION I
PROTECTIVE COVENANTS
of
DRIFTWOOD KEY CLUB

**DRIFTWOOD KEY CLUB
PROTECTIVE COVENANTS²**

Applicable to:

Driftwood Key

First through Twelfth Additions

Park Addition

("sub-divisions")

Preamble Appears in all sub-divisions:

The following covenants and restrictions shall run with the above described land and shall be binding on all parties and all persons claiming under them for a period of 25 yrs. from date these covenants were recorded after which time said covenants and restrictions shall be automatically extended for successive periods of 10 yrs. unless an instrument signed by a majority of the then owners (each owner to have the number of votes equal to the number of lots owned) has been recorded agreeing to change said covenants in whole or in part.

1st Covenant Appears as paragraph 1 in all sub-divisions, except the Sixth Addition:

The following residential area covenants in their entirety shall apply to the sub-division above described.

Appears as paragraph 1 in the Sixth Addition:

The following residential area covenants shall apply to the sub-division above described, except those lots zoned commercial in Lot 10.

2nd Covenant Appears as paragraph 2 in all sub-divisions [with reference to the appropriate sub-division], except the Sixth Addition:

All of the lots in the plat of [sub-division] shall be designated as "residence lots". A building site shall consist of at least one such resident lot or more as shown on said plat herein.

Appears as paragraph 2 in the Sixth Addition:

All of the lots in this plat except those lots zoned commercial in Lot 10, shall be designated as "residence lots." A building site shall consist of at least one such lot or more as shown on said plat herein.

² The covenants, current as of February 15, 2008, are being provided in an integrated form for convenience of use. Certain formatting, grammatical, and typographical changes have been made to the covenants as recorded with the Kitsap County Auditor. For the precise wording of the covenants applicable to any lot, please refer to the recorded plat for the appropriate sub-division and all recorded amendments to that plat.

3rd Covenant Appears as paragraph 3 in Driftwood Key and the First, Second, and Park Additions [with reference to the appropriate sub-division]:

No building or structure shall be erected, constructed, maintained, or permitted upon the property of [sub-division] except upon a building site as hereinabove defined, and no building or structure shall be erected, constructed, maintained, or permitted on a building site, other than a single family detached dwelling, except that appurtenances to any dwelling house such as private garages, private shop building, gardenhouses, pergolas, conservatories, or similar structures, architecturally in harmony therewith and of permanent construction, may be erected within the building limits hereinafter set forth; except that during the construction period a temporary workshop and material and tool storage building may be located upon said tract.

Appears as paragraph 3 in the Third through Twelfth Additions [with reference to the appropriate sub-division]:

No building or structure shall be erected, constructed, maintained, or permitted upon the property of [sub-division] except upon a building site as hereinabove defined, and no building or structure shall be erected, constructed, maintained, or permitted on a building site, other than a single family dwelling, except that appurtenances to any dwelling house such as private garages, private shop building, gardenhouses, pergolas, conservatories, or similar structures, architecturally in harmony therewith and of permanent construction, may be erected within the building limits hereinafter set forth; except that during the construction period a temporary workshop and material and tool storage building may be located upon said tract.

4th Covenant Appears as paragraph 4 in Driftwood Key and the First, Second, and Park Additions and as paragraph 13 in the Third through Twelfth Additions.³

No building shall be erected, placed or altered on any lot until construction plans and specifications and plan showing location of structure have been approved by the "Architectural Control Committee", as to quality of workmanship and materials, harmony of external design with existing structures and as to location with respect to topography and finish grade elevation. Approval shall be as provided in paragraphs 14 and 15.

5th Covenant Appears as paragraph 5 in Driftwood Key and the First, Second, and Park Additions:

No dwelling shall be permitted on any lot with ground floor area of the main structure, exclusive of open porches and garages, less than 600 square feet.

³ In a typographical error, the 5th Addition refers to "No business shall be erected" rather than "No building shall be erected."

Appears as paragraph 4 in the Third through Twelfth Additions:

No dwelling shall be permitted on any lot with ground floor area of the main structure, exclusive of open porches and garages, less than 900 square feet.

6th Covenant Appears as paragraph 6 in Driftwood Key and the First, Second, and Park Additions and as paragraph 5 in Third through Twelfth Additions:

No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, except during period of construction, either temporarily or permanently.

7th Covenant Appears as paragraph 7 in Driftwood Key and the First, Second, and Park Additions and as paragraph 6 in the Third through Twelfth Additions:

The work of construction of all buildings and structures shall be prosecuted diligently and continuously until such building and structure are fully completed and painted. All structures should be completed as to external appearance, including exterior painting, within 8 months from the date of commencement of construction, unless prevented by causes beyond the owners control.

8th Covenant Appears as paragraph 8 in Driftwood Key and the First Addition:

No fence or hedge or boundary wall situated anywhere on any lot shall be higher than 6 ft. above the finished ground surface on the ground on which said fence is situated, nor shall any fence, wall or mass planting of any kind be placed between the street line and the building set-back line.

Appears as paragraph 8 in the Second and Park Additions and as paragraph 7 in the Third through Twelfth Additions:

No fence or hedge or boundary wall situated anywhere on any lot shall be higher than 6 feet above the finished ground surface on the ground on which said fence is situated, must be aesthetically pleasing, and must be approved by the entire Architectural Control Committee.

9th Covenant Appears as paragraph 9 in Driftwood Key and the First, Second, and Park Additions and as paragraph 8 in the Third through Twelfth Additions:⁴

No noxious or undesirable thing or undesirable or illegal use of the property shall be permitted on said property or in said addition. The construction of spite or nuisance wall, hedge, fence or tree shall be prohibited on said property.

10th Covenant Appears as paragraph 10 in Driftwood Key and the First, Second, and

⁴ In some sub-divisions, the term "undesirable" is spelled as "undesireable" and the phrase "shall be prohibited" is changed to "shall not be permitted."

Park Additions and as paragraph 9 in the Third through Twelfth Additions:

No trash, ashes, or other refuse may be thrown or dumped on any lot of said plat. No building material of any kind shall be placed or stored upon any lot until the owner is ready to commence construction and the building materials shall be placed within the property line of the building site upon which said structure shall be started and shall not be placed in the streets.

11th Covenant Appears as paragraph 11 in Driftwood Key and the First, Second, and Park Additions and as paragraph 10 in the Third through Twelfth Additions:

No animals or pets may be kept in violation of zoning ordinances and in any case no swine, sheep, goats, or poultry shall be kept on any lot. Also, no pets shall be permitted to run at large.

12th Covenant Appears as paragraph 12 in Driftwood Key and the First, Second, and Park Additions and as paragraph 11 in the Third through Twelfth Additions:

No sign of any kind may be permanently displayed to public view on any lot, except one professional sign of not more than 72 square inches bearing only the name and occupation of the occupant of the premises; or one sign per lot of not more than 5 square feet advertising property for sale or rent or sign used by builder and/or realtor, to advertise property during construction and sales period.

13th Covenant Appears as paragraph 13 in Driftwood Key and the First, Second, and Park Additions, and as paragraph 12 in the Third, Fourth, Fifth, Seventh, Eighth, Tenth, and Eleventh Additions [with reference to the appropriate sub-division]:

No business shall be conducted from any lot of [sub-division] except that dressmaking, baby-sitting, music teaching, or similar activity or profession may be conducted by a resident of the household, provided that the privacy of adjoining householders is not disturbed. This is not to be construed to permit barber shops, beauty shops, or other service type businesses to be operated in the sub-division. During the period of development and sale of the sub-division, the developer may permit one firm to maintain a real estate and insurance office in a dwelling or upon a lot in the sub-division so as to facilitate and sales of a property in that area. This right to maintain a real estate and insurance office shall terminate upon sale of the lots in "Driftwood Key" and additions thereto.

Appears as paragraph 12 in the Sixth, Ninth, and Twelfth Additions [with reference to the appropriate sub-division]:

No business shall be conducted from any residential lot of [sub-division] except that dressmaking, baby-sitting, music teaching, or similar activity or profession may be conducted by a resident of the household, provided that the privacy of adjoining householders is not disturbed. This is not to be construed to permit

barber shops, beauty shops, or other service type businesses to be operated in the sub-division. During the period of development and sale of the sub-division, the developer may permit one firm to maintain a real estate and insurance office in a dwelling or upon a lot in the sub-division so as to facilitate and sales of a property in that area. This right to maintain a real estate and insurance office shall terminate upon sale of the lots in "Driftwood Key" and additions thereto.

14th Covenant Appears as paragraph 14 in all sub-divisions:

Concurrent with any sale or other transfer of ownership of title of any lot, the transferor is requested to provide the Board of Trustees of Driftwood Key Club with the name(s) and address(es) of the transferee(s). For the purpose of this Covenant 14, the meaning of the term "transferor" shall include, but not be limited to, a grantor under a deed to convey title, a seller under a real estate contract, or a party who assigns a purchaser's interest (assignor) under a real estate contract.

15th Covenant Appears as paragraph 15 in Driftwood Key and the First Addition:

The Trustees of the "Driftwood Key Club" shall act as the "Architectural Control Committee." The Trustees' approval or disapproval as required in the covenants shall be in writing. In the event the Trustees or their designated representatives fail to approve or disapprove within 30 days after plans and specifications have been submitted to them, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

Appears as paragraph 15 in the Second through Twelfth and Park Additions:

The Trustees of the "Driftwood Key Club" shall act as the "Architectural Control Committee." The Trustees' approval or disapproval as required in the covenants shall be in writing. In the event the Trustees or their designated representatives fail to approve or disapprove within 45 days after plans and specifications have been submitted to them, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

16th Covenant Appears as paragraph 16 in all sub-divisions:

If the parties hereto, or any of them or their heirs, or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons owning real property situated in said sub-division to prosecute any proceedings at law or in equity against person or persons violating or attempting to violate any such covenants and to prevent him or them from so doing or to recover damages or other dues for such violation.

17th Covenant Appears as paragraph 17 in the Second Addition:

No shoreside covered structures shall be built outside the line of high tide.

18th Covenant Appears in the Park Addition:⁵

Various detailed provisions in the recorded original contract between the developer, Park Development Co., and the initial lot owners. These provisions relate to: installation and transfer to a public water district or non-profit corporation of a water system; assignment of the contract subject to approval of Driftwood Key Club; the contract being subject to the payment of annual maintenance dues of the Club; and, the lots being subject to charges and assessments of the Club.

⁵ The granting deed states that the above terms are set forth in the contracts of sale between Park Development Co. and the purchasers of lots in the Park Addition.

SECTION II

ARTICLES OF INCORPORATION

of

DRIFTWOOD KEY CLUB

DRIFTWOOD KEY CLUB
ARTICLES OF INCORPORATION⁶

ARTICLE I

The name of the corporation shall be: DRIFTWOOD KEY CLUB.

ARTICLE II

The purposes for which this corporation is formed are:

1. To purchase or otherwise acquire, construct, improve, develop, repair, maintain, operate, care for and/or dispose of parkways, playgrounds, open spaces and recreational areas, tennis courts, beaches, boat landings, floats, piers, clubhouses, swimming pools, and/or swimming areas, bathhouses, places of amusement, community buildings, community clubhouses, and in general community facilities appropriate for the use and benefit of its members, and/or for the improvement and development of the property hereinafter referred to.

2. To build, improve and maintain roadways, culverts, bridges and drainage areas, and to provide for the improving, cleaning and sprinkling of streets, and for collection and disposal of the street sweepings, garbage, ashes, rubbish and the like; to prevent and suppress fires, to provide police protection, and to make and collect charges to cover the costs and expenses therefore.

3. To improve, light and/or maintain streets, roads, alleys, courts, walks, gateways, fences and ornamental features now existing or hereafter to be erected or created, and shelters, comfort stations and/or buildings and improvements ordinarily appurtenant to any of the foregoing; to improve, plant and maintain grass plots and other areas, trees and plantings within the lines of the streets immediately adjoining or within the property hereinafter described or referred to.

4. To care for any vacant lots and plots in said property, to kill, destroy and/or remove from any of said lots and plots, trees, grass, weeds, rodents, predatory animals and any unsightly or obnoxious thing; and to take any action with reference to such lots and plots as may be necessary or desirable in the opinion of the board of trustees of said corporation, to keep the property clean and in good order and to insure there is no unreasonable obstruction from overgrowth of a view available to another lot owner; and to make and collect charges therefore.

5. So far as it can legally do so, to grant franchises, rights of way and easements for public utilities or other purposes upon, over and/or under any of said property.

⁶ The articles, current as of February 15, 2008, are being provided for convenience of use. Certain formatting, grammatical, and typographical changes have been made to the articles as recorded with the Washington Secretary of State. For the precise wording of the articles please refer to those so recorded.

6. To acquire by gift, purchase, lease or otherwise, and to own, hold, enjoy, operate, maintain, and to convey, sell, lease, transfer, mortgage and otherwise encumber, dedicate for public use and/or otherwise dispose of, real and/or personal property wherever situate.

7. To keep records of building permits and/or other approvals or disapprovals made or issued by said corporation; to keep books and records showing all charges, levies, and assessments made; to furnish certified copies of any record which the board of trustees may authorize to be furnished; to issue certificates of completion and compliance covering respective parcels of property upon which buildings, structures and/or other improvements have been erected or made, all as provided in the restrictions, conditions and covenants affecting said property or portions thereof; and to make and collect charges covering the cost and expense of such acts.

8. To enforce liens, charges, restrictions, conditions and covenants existing upon and/or created for the benefit of parcels of real property over which said corporation has jurisdiction and to which said parcels may be subject to the extent that said corporation has the legal right to enforce the same, and to pay all expenses incidental thereto.

9. To pay the taxes and assessments which may be levied by any public authority upon any of the said property now or hereafter used or set apart for parks, parkways, playgrounds, open areas, tennis courts, beaches, boat landings, community clubhouses, community club buildings, places of amusement and/or recreation areas, or upon such other recreation spaces wherever situate, as may be maintained for the general benefit and use of the owners of lots in said property; to pay taxes and assessments levied by any public authority upon improvements upon any of said property or areas so used or set apart or maintained, and whether taxed or assessed as a part of said property or area or separately; and to pay taxes and assessments levied by any public authority upon improvements upon any of said property or areas so used or set apart or maintained, and whether taxed or assessed as a part of said property or area or separately; and to pay taxes and assessments levied by any public authority upon any property which may be held in trust for said corporation.

10. To exercise such powers of control, interpretation, construction, consent, decision, determination, modification, amendment, cancellation, annulment and/or enforcement of covenants, reservations, restrictions, liens and charges imposed upon said property, and as may be vested in, delegated to, or assigned to said corporation and such duties with respect thereto as may be assigned to and assumed by said corporation.

11. To approve and/or disapprove, as provided by restrictions, conditions and covenants affecting said property, plans and specifications for and/or location of fences, walls, poles, buildings and/or structures to be erected or maintained upon said property or any portion thereof; to approve or disapprove the kind, shape, height, and materials for same and/or the plan indicating the location thereof or their respective building sites and such grading plans as may be required, and to issue permits for the same; to pay any and all expenses and charges in connection with the performance of any of said powers or the carrying out of any of said purposes; to supervise construction of any buildings or structures to the extent deemed necessary by the board of trustees and to establish rules therefore.

12. To regulate and/or prohibit the erection, posting, pasting or displaying upon any of said property billboards and/or signs of all kinds and character, and to remove and/or destroy any such billboards or signs erected or maintained upon said property without the authority of said corporation as provided in such restrictions, conditions and covenants, as may affect said property or any portion thereof.

13. To appropriate, purchase, divert, acquire and store water from streams, water courses, wells or any other source, and to distribute the water so appropriated and acquired to its members for use upon the lands of said members and for domestic purposes; to acquire, own, construct, hold, possess, use and maintain such pumping plants, tanks, pipe lines, reservoirs, ditches, buildings, roads, trails and appliances, and such other property, including water rights and shares of stock in other corporations as said corporation from time to time may desire to acquire or purchase for furnishing.; and supplying water to its members; provided that this corporation shall not use or dispose of such water as a public utility, but solely for the use and benefit of its members and for the irrigation of lands and domestic and other useful and beneficial purposes.

14. To fix, establish, levy and collect annually such charges and/or assessments as may be necessary, in the judgment of the board of trustees to carry out any or all of the purposes for which this corporation is formed, but not in excess of the maximum from time to time fixed by the By-Laws.

15. To expend the moneys collected by said corporation from assessments and charges and other sums received for the payment and discharge of costs, expenses and obligations incurred by said corporation in carrying out any or all the purposes for which said corporation is formed.

16. Generally, to do any and all lawful things which may be advisable, proper, authorized and/or permitted to be done by said corporation under or by virtue of any restrictions, conditions, and/or covenants or laws affecting said property or any portion thereof (including areas now or hereafter dedicated to public use); and to do and perform any and all acts which may be either necessary for, or incidental to, the exercise of any of the foregoing powers or for the peace, health, comfort, safety and/or general welfare of owners of said property, or portions thereof, or residents thereon.

17. To borrow money and mortgage, pledge or hypothecate any or all of the real or personal property of said corporation as security for money borrowed or debts incurred; and to do any and all things that a corporation organized under said laws of the State of Washington may lawfully do when operating for the benefit of its members or the property of its members, and without profit to said corporation.

18. Generally, to do and perform any and all acts which may be either necessary or proper for or incidental to the exercise of any of the foregoing powers and such powers granted by the provisions of Title 24, Revised Code of Washington and other laws of the State of Washington relating to non-profit corporations.

19. Nothing contained in these Articles of Incorporation shall be construed as authorizing or permitting said corporation to own, manage or operate any real or personal property for profit. It is the intention and purpose that the business of said corporation shall

not be carried on for profit either to itself or for the benefit of its members, and wherever it is authorized to collect charges or assessments it shall have no power or authority to use said charges or assessments except as necessary to cover the actual cost or expense of the act, duty, power or transaction performed.

20. To have one or more offices as such place or places, either within or without the State of Washington as the board of trustees may from time to time determine or the business of the corporation require.

All of the foregoing purposes and powers are to be exercised and carried into effect for the purpose of doing, serving and applying the things above set forth for the benefit of all property, including, but without in any way limiting the foregoing, any portion or portions of certain real property described as follows:

The Northwest quarter of the Northwest quarter; the Southeast quarter of the Northwest quarter; the Northeast quarter of the Southwest quarter; Government Lot 2; all of Government Lot 3, EXCEPT that portion of the North 900 feet thereof, lying westerly of County road; and that portion of the Northwest quarter of the Southwest quarter, lying Northerly of the existing road, all in Section 20, Township 28 North, Range 2 East, W.M., EXCEPT County road.

Also that portion of Government Lot 2 in Section 19, Township 28 North, Range 2 East, lying Northerly of the existing roadway; and Government Lot 3 and adjacent tide land area in said Section 19, EXCEPT that portion of the South 480 feet thereof, lying Westerly of the existing roadway; AND EXCEPT that portion of Government Lot 3 in Section 19, Township 28 North, Range 2 East, W.M., and of the tide land area adjacent thereto, all contained within the following described tract:

Beginning at the point of intersection of the North line of the South 480 feet of said Government Lot 3 with the Government meander line on the West side of said Government Lot 3; thence East 450 feet; thence North 370 feet; thence West 650 feet; thence South 370 feet; thence East 200 feet to the point of beginning, which is, or shall become, so subject to the jurisdiction of said corporation.

ARTICLE III

This corporation shall at all times hereafter be a joint and mutual association of the above named incorporators, and such other persons as may hereafter be admitted to membership in accordance with the by-laws of the corporation. Membership and certificates evidencing the same shall be inseparably appurtenant to tracts in the above described real estate in paragraph 20, owned by the members, and upon transfer of ownership or contract for sale of any such tract, membership and certificate of membership shall ipso facto be deemed to be transferred to the grantee or contract purchaser.

No membership or certificate of membership may be transferred, assigned or conveyed in any manner other than in the manner herein set forth. In the event of the death of a member, the membership or certificate of membership of such deceased member shall be and become the property of the personal representative of such deceased member upon

appointment and qualification as such in a judicial proceeding and such personal representatives shall have all of the rights, privileges and liabilities of such member until title shall be transferred or contracted to be transferred.

The property in possession of this Corporation shall be managed by the board of trustees hereinafter mentioned and only alienated and disposed of in accordance with the By-Laws of the corporation. The interest of each incorporator or member shall be equal to that of any other and no incorporator or member can acquire any interest which will entitle him to any greater voice, vote, authority or interest in the corporation than any other member.

ARTICLE IV

1. The number of trustees of this corporation shall not be less than three (3) nor more than nine (9)

2. Any trustee of the corporation may be removed from office at any time by majority vote of the members of the corporation. Written notice of proposed removal of such trustee must be given to the membership and to each trustee proposed to be removed at least fifteen (15) days prior to any special or annual meeting of the membership at which such removal is to be considered.

ARTICLE V

The time of existence of this corporation shall be perpetual.

ARTICLE VI

The registered office and post office address of this corporation shall be Route 2, Box 2732, Bainbridge Island, Washington.

ARTICLE VII

The qualifications of the members of said corporation, the property, voting and other rights and privileges, and the liabilities to charges and assessments of the members, shall be as set forth in the By-Laws of the corporation.

ARTICLE VIII

INDEMNIFICATION OF TRUSTEES, OFFICERS AND OTHER PERSONS

The corporation shall, and does hereby, indemnify each person (and his heirs, executors, administrators, or other legal representative) who is, shall become, or shall have been a trustee, officer, member or employee of this corporation, or any person who is serving, shall serve, or shall have served at the request of this corporation as a trustee or officer of another corporation in which it owns shares of capital stock or of which it is a creditor, against all liabilities and expenses (including judgments, fines, penalties and attorneys' fees) reasonably incurred by any such person in connection with, or arising out of, any action, suit or proceeding, whether civil, criminal or administrative, in which any such person may be a party defendant, or with which he may be threatened or otherwise involved, directly or indirectly, by reason of his being, becoming, or having been a trustee, officer or employee of

this corporation or such other corporation or by reason of his having, at the direction of this corporation or such other corporation, acted for or on behalf of such corporation. Indemnification shall be made to the maximum extent permitted under the then applicable laws of the state of Washington and should any question arise with respect to this indemnification provision, there shall be a presumption favoring indemnification.

The foregoing rights of indemnification shall not be exclusive of other rights to which any trustee, officer, member or employee is entitled under any agreement, vote of directors or members, or statute, or as a matter of law or otherwise, and the provisions of the Article shall be severable, and if any provision hereof shall for any reason be determined invalid or ineffective, the remaining provisions shall not thereby be affected.

SECTION III

BYLAWS

of

DRIFTWOOD KEY CLUB

DRIFTWOOD KEY CLUB

BYLAWS⁷

BYLAW ARTICLE I:

Purposes

SECTION 1. This corporation shall be conducted as a non-profit maintenance corporation for the purposes set forth in the Articles of Incorporation for use and maintenance as a community facility, the following described real property:

That portion of Government Lot 3 in Section 19, Township 28 North, Range 2 East, W.M., and of the tideland area adjacent thereto, all contained within the following described tract:

Beginning at the point of intersection of the North line of the South 480 feet of said Government Lot 3 with the Government meander line on the West side of said Government Lot 3; thence East 450 feet; thence North 370 feet; thence West 650 feet; thence South 370 feet; thence East 200 feet to the point of beginning; EXCEPT any portion thereof contained within a 60 foot strip which will be deeded to Kitsap County for road purposes.

SECTION 2. The Corporation shall have the power to levy and collect assessments against its members and against the tracts owned or purchased by them for the purposes in its Articles of Incorporation and Bylaws set forth, and to sell or forfeit their interest in the Corporation for default with respect to any lawful provisions of said Articles of Incorporation and Bylaws and upon forfeiture of any such property as by law and in the Bylaws provided may transfer the membership of such defaulting member.

SECTION 3. The purposes for which this Corporation was created may be altered, modified, enlarged, or diminished by the vote of two-thirds of the members at a meeting duly called for such purpose, notice of which meeting shall be given in the manner provided by the Bylaws of giving of notice for the election of trustees.

SECTION 4. The rules contained in the current edition of Robert's Rules of Order shall govern the Driftwood Key Club in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and Articles of Incorporation.

BYLAW ARTICLE II:

Membership

SECTION 1. The membership of the Corporation shall consist of the incorporators, owners, or purchasers of one or more tracts at Driftwood Key. Ownership of a tract at Driftwood Key carries automatic membership. No person or purchaser of tracts shall have more than one membership, regardless of the number of tracts so owned or purchased, and the interest of each member shall be equal to that of any other member, and no member can acquire any interest which shall entitle him to any greater voice, vote, or authority in the Corporation than any other member. If any tract or tracts are held by two or more persons,

⁷ The Bylaws are current as of February 15, 2008.

the several owners of such interest shall be entitled collectively to cast one vote.

SECTION 2. At meetings wherein business of the Corporation is to be conducted, i.e., monthly, annual, or special, a member's vote will not be recognized unless all charges and assessments are currently paid by such member, and usage of the facilities will not be allowed.

SECTION 3. As to memberships of owners or purchasers of tracts at Driftwood Key memberships and certificates of membership evidencing the same shall be inseparably appurtenant to tracts owned by the members, and upon transfer of ownership, or contract of sale, of any such tracts, membership or certificates of membership shall ipso facto be deemed to be transferred to the contract purchaser. No membership or certificates of membership may be transferred, assigned, or in any manner conveyed, other than in the manner hereinbefore set forth. In the event of the death of a member, the membership and certificates of membership of such member shall be and become the property of the personal representative of such deceased member upon the appointment and qualification as such in a judicial proceeding and such personal representative shall have all of the rights, privileges and liabilities of the deceased member until title shall be transferred.

SECTION 4. No membership shall be forfeited nor any member expelled except upon foreclosure for non-payment of charges or assessments, and as to members owning tracts at Driftwood Key, no member may withdraw, except upon transfer of title to the real property to which his membership is appurtenant, as elsewhere herein provided. No compensation shall be paid by the Corporation upon any transfer of membership and no member whose membership is transferred shall be entitled to share or participate in any of the property or assets of the corporation.

SECTION 5. For purposes of use of club-operated facilities, membership includes the immediate family of the member, as defined in Bylaw Article II-1, living with the member at his residence address. This membership does not include, nor does it extend to other relatives, members of organizations acquiring ownership of a tract or to persons with no real property ownership of a tract in Driftwood Key. Use of Club facilities by any organized groups or yacht clubs is prohibited. Members may convey their rights to use of the club-operated facilities to only one renter and those members of the renter's immediate family living with the renter at his residence. Guest use of club facilities is administered by the club as defined by the trustees as to number of persons and fees. Rules for the use of all club facilities are to be adhered to by members, renter, and guests.

BYLAW ARTICLE III:
Dissolution

In the event of the dissolution of the corporation each person who is then a member shall receive his pro rata proportion of the property and assets after all of its debts have been paid.

BYLAW ARTICLE IV:
Trustees And Officers

SECTION 1. Corporate powers of the Corporation shall be vested in a Board of

Trustees. The number of trustees who shall manage the affairs of the Corporation shall be nine (9). At any meeting or special meeting called therefor the members may increase or decrease the number of trustees to any number not more than nine nor less than three. Two (2) members will be elected for two successive voting years and three (3) members will be elected the third voting year.

SECTION 2. Trustees shall be elected to serve for three years or until their successors are elected and duly qualified. All trustee positions shall be numbered and persons appointed or elected trustees shall be appointed or elected to serve in a particular position. In the event that persons are simultaneously elected or appointed to the Board of Trustees at a time when one or more of the available positions is an unexpired term, the person or persons receiving the highest number of votes shall be deemed elected or appointed to positions with the longest remaining terms.

SECTION 3. Each trustee shall be an incorporator or a member who shall not have lost his right to vote by reason of having disposed of land to which his membership is appurtenant.

SECTION 4. In the event a Trustee, other than an incorporator, ceases to be the owner of the land to which his membership is appurtenant, or of a contract for the purpose thereof, he shall thereby cease to be a trustee and his office shall become vacant upon written notification without action other than to spread such fact upon the minutes of the Board of Trustees.

SECTION 5. At the first meeting of the Board of Trustees after each annual meeting of the members, the Board of Trustees shall elect a president, vice-president, secretary and treasurer. To be qualified for election, a candidate for the office of President of the Board must have served on the Driftwood Key Board of Trustees for a period of one year prior to the date of their election. The Board may also at any time appoint an executive secretary and/or assistant secretary and/or assistant treasurer. Officers of the Corporation so elected shall hold office for the term of one year and until their successors are qualified. Any Board officer may be removed from and/or replaced in their Board office at any time by a majority vote of the then current members of the Board of Trustees. Such removal and/or replacement of a Board officer shall not constitute removal and/or replacement of the Trustee from their trustee status.

(Amended 2000)

SECTION 6. No trustee or officer, except the executive secretary and/or the assistant secretary and/or the assistant treasurer shall receive any salary or compensation from the corporation.

SECTION 7. Any vacancy occurring in the Board of Trustees shall be filled by appointment by a majority of the remaining trustees within 30 days following the vacancy, if more than six months remain in the vacancy.

SECTION 8. When a trustee fails to attend any board meetings for three (3) consecutive months, that member will cease to be a trustee and the office will become vacant.

BYLAW ARTICLE V:

Meetings

SECTION 1. Annual meetings of the members of the corporation shall be held at the principal place of business of the corporation or at such other place as the Board of trustees may elect. The annual meetings shall be held on the fourth Saturday of August of each year at 11 o'clock a.m. Notice thereof shall be given by the President or Secretary by mailing such a notice with a mail-in ballot to each member not less than ten days prior to the date of the meeting.

SECTION 2. Special meetings of the members may be called at any time by the president or a majority of the Board of Trustees or by members representing ten percent of the tracts within the jurisdiction of the Corporation. Notice of a special meeting, stating the object thereof, shall be given by the secretary by mailing such notice with a proxy or mail-in ballot to each member not less than five days prior to the date on which such meeting is to be held.

SECTION 3. At all annual and special meetings of the members, twenty percent of all of the members of the corporation shall constitute a quorum for the transaction of business. Each member shall be entitled to one vote.

SECTION 4. Special meetings of the Board of Trustees shall be called at any time by the secretary on order of the president or a majority of the Board of Trustees. The secretary shall give each trustee notice, personally, verbally, by mail or by telephone, of all regular and special meetings at least one day previous thereto.

SECTION 5. A member may exercise his right to vote by written proxy or mail-in ballot. The proxy or mail-in ballot shall be valid only with respect to voting on items specified in the notice of the meeting in question unless the proxy or mail-in ballot specifically states otherwise. The Corporation shall, prior to each annual meeting, submit to the members proxies permitting the members to designate the Secretary of the corporation their proxy or a mail-in ballot to cast specific votes in the election of trustees of the corporation.

BYLAW ARTICLE VI: **Power and Duties of Trustees**

SECTION 1. Subject to limitations in the Articles of Incorporation and the bylaws and the laws of the State of Washington, all powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be controlled by, the Board of Trustees. Without prejudice to such general powers, and subject to the same limitations, it is hereby expressly declared that the trustees shall have the following powers:

SECTION 2. To select and remove all agents and employees of the Corporation, prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation or the Bylaws, fix compensation for employees.

SECTION 3. To conduct, manage, and control the affairs and business of the Corporation, and to make such rules and regulations therefor not inconsistent with law, with the Articles of Incorporation or the Bylaws, as they may deem best.

SECTION 4. Annually, reissue certificates which entitle members to Club amenities provided all charges and assessments are paid. (Bylaw VIII-3)

SECTION 5. To charge and/or assess the several parcels of land and the owners thereof as herein before more particularly set forth.

SECTION 6. To cause to be kept a complete record of all minutes and acts and to present a full statement to the regular annual meeting of members showing in detail the condition of the affairs of the Corporation.

SECTION 7. No sale of real estate or any capital improvements thereon in excess of \$8,500 shall be made without a vote of the membership, according to Bylaw procedures.

SECTION 8. Plans for new construction of any kind, including remodeling or additions to structures to be erected or fabricated upon building sites within the Driftwood Key development shall be submitted in duplicate for action to the Architectural Control Committee by certified mail or in person at the business office of the club at reasonable hours during the day. There shall be no structure of any kind including docks, ramps, floats, piling, or bulkheads constructed on Driftwood Key tidelands without approval of the Board of Trustees prior to securing permits from the U.S. Army Corps of Engineers. The date of receipt noted on the certified mail receipt by the Driftwood Key representative shall be deemed the date the plans are received by the club. If the plans are submitted in person, then the Driftwood Key Club representative shall issue a receipt in duplicate noting the date the plans were received. The receipt is to be signed by the person submitting the plans and the representative authorized by the Board of Trustees to receive the plans. The second copy of the receipt shall be given to the person submitting the plans. The original shall be filed with the club's records. Plans which are disapproved shall be date stamped, stamped disapproved, and signed by the architectural control representative authorized to disapprove such plans and returned to the member submitting them with a brief statement as to why the plans were disapproved.

SECTION 9. To arrange for clearance and removal of debris from vacant lots having unsightly and overgrown vegetation obstructing a view available to another lot owner, if the offending lot owner does not personally take action to clear the lot within thirty days of receiving notice from the Board of Trustees or dispose of debris within 60 days after the lot is cleared. The lot owner will be charged for the clearing expense and such charges shall bear interest at the highest rate under Washington State law, commencing thirty days after said charges are due. Established procedure for authority to clear overgrown vacant lots and/or dispose of debris shall be as follows:

- (1) Lot owner makes written request to lot owner having offending overgrowth;
- (2) After thirty days, if there is no response or a negative response from owner of offending lot, first lot owner will notify Board in writing;
- (3) Board will contact lot owner with offending overgrowth if, in judgment of Board, overgrowth does unreasonably obstruct an available view or is unsightly or obnoxious;

- (4) If Board receives no response within thirty days or a negative response, Board will obtain a court order and arrange with local contractor to clear lot;
- (5) Board will bill owner of offending lot;
- (6) If payment is not received within thirty days after billing, account will be turned over to the Club's attorney for appropriate action, including lien foreclosure, and offending lot owner will be responsible for attorney's fees incurred.

BYLAW ARTICLE VII:
Duties of Officers

SECTION 1. President. The President shall preside at all meetings of the trustees and members; and shall sign as President all contracts or other instruments in writing authorized by the Board of Trustees; shall call special meetings of the Trustees or of the members whenever necessary; shall have the general supervision of the affairs of the Corporation under the direction of the Board of Trustees.

SECTION 2. Vice-President. The Vice-President shall preside at all meetings in the absence of the president, and in case of the absence or disability of the president shall perform all other duties of the president which are incidental to the office.

SECTION 3. Secretary. The Secretary shall issue all notices and shall attend and keep the minutes of all meetings, and shall perform all such other duties as are incidental to this office.

SECTION 4. Treasurer. The Treasurer shall keep all moneys and securities of the Corporation and disburse the same under the direction of the Board of Trustees, and shall cause to be deposited all funds of the corporation in a bank selected by the Trustees. At the annual meeting of the members and at any time directed by the trustees, the Treasurer shall issue and present a full statement showing in detail the condition of the affairs of the Corporation.

SECTION 5. The executive office secretary and/or assistant secretary and/or assistant treasurer, if appointed by the Board of Trustees, shall perform such duties as may be designated by it.

SECTION 6. Any officer, other than the President, may occupy two offices concurrently if the Board of Trustees so directs.

BYLAW ARTICLE VIII:
Certificates of Membership and Transfers

SECTION 1. A certificate of membership in the Corporation shall be issued to each member. All such certificates shall be signed by an officer of the Board of Trustees.

SECTION 2. All memberships of owners of tracts at Driftwood Key, and all certificates of the same shall be inseparably appurtenant to the tracts, or fractional tracts owned by the

holders thereof and upon sale or contract to see such memberships and such certificates shall become the property of the grantee or purchaser as hereinbefore provided. No transfer of membership shall entitle the transferee to vote the same until it has been established to the satisfaction of the Executive Office Secretary that such transfer is bona fide and has been made in the manner provided.

SECTION 3. Unless specifically requested by the owner and holder thereof, it shall not be necessary that certificate of membership be actually issued but any owner or purchaser of a tract or tracts within the said district may exercise all of the rights and privileges and shall be subject to all the liabilities of membership without the actual issuance and possession of such certificate of membership.

BYLAW ARTICLE IX: **Charges and Assessments**

SECTION 1. The members of the Corporation shall be liable for the payment of such charges or assessments as may from time to time be fixed and levied by the Board of Trustees pursuant to the Articles of Incorporation and these Bylaws and subject to the provisions of said Articles and Bylaws:

- a. The amount of said charges levied upon a member shall in no event except as hereinafter provided exceed in any one year the sum of one hundred and seventy-two dollars (\$172).
- b. The amount of said assessments for the building and maintenance fund upon a member shall in no event except as hereinafter provided exceed in any one year the sum of twenty dollars (\$20).
- c. The amount of said assessments for the harbor/dredging fund upon a member shall in no event except as hereinafter provided exceed in any one year the sum of one hundred seventy-eight dollars (\$178).

Charges and/or assessments against all members shall be levied by the Board of Trustees at a uniform rate per member without distinction or preference of any kind. All charges and/or assessments, when collected by the Corporation, shall remain the property of the members until such time as such charges and/or assessments are expended pursuant to the Articles of Incorporation and Bylaws of the corporation. Delinquent charges and/or assessments shall bear interest at the highest legal rate under Washington State law per annum commencing 30 days after said charges and/or assessments are due. All charges and/or assessments delinquent prior to adoption of this amendment to Bylaw Article IX-1 shall bear interest at the highest legal rate under Washington State law per annum commencing August 1, 1981.

SECTION 2. From time to time, as and when any such charges and assessment in this Article IX are levied, each member with respect to the land or interests therein to which his membership is appurtenant, shall pay the amount of such charges and/or assessment against the same to the corporation, at its office, within thirty days after the mailing of the notice of such charges and/or assessment to the members. The amount of such charges and/or assessment, together with all expenses, attorneys' fees and costs reasonably incurred

in enforcing the same, shall be paid by the members and a lien shall be placed upon said land and the membership appurtenant thereto, superior to any and all other liens (except as in Section 3) 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; provided, that no proceedings for the foreclosure of any said liens in the Article IX provided shall be commenced except upon the expiration of four months from and after the date of mailing said notice of charges and/or assessments in this section described.

SECTION 3. First mortgage liens placed upon any of said tracts which are recorded in accordance with the laws of the State of Washington shall be, from the date of the recordation of such, superior to such charges and assessments and the liens resulting there from as are levied by the corporation subsequent to the date of the recordation of the first mortgage; provided, however, that the corporation is notified in writing of such first mortgage within thirty days after recordation of such.

SECTION 4. In addition to charges and assessments limited by Bylaw Article IX-1 the Board of Trustees may develop projects consistent with the purposes of the club and Bylaw Article VI-7, which may require special assessments of the members in excess of such limit. Such additional assessments may be levied upon the membership only after they have been approved by a vote of a simple majority of the votes cast (in person, or by mail-in ballot or proxy per Bylaw Article V-5) at a special meeting regarding such assessment. Prior to such a meeting, the membership shall be given written notice of the proposed project, the anticipated total cost of the project and the anticipated assessment to each member and a statement of the anticipated impact of the proposed project on future operating costs of the club.

SECTION 5. In addition to assessments limited by By-law Article IX, Section 1, the Board of Trustees may arrange for removal of any offending or unauthorized construction or plantings from Club-owned property, and for clearance of vacant lots, having unsightly and overgrown vegetation which, in the judgment of the Board, unreasonably obstructs a view available to another lot owner or is unsightly or obnoxious, pursuant to the procedure set out in Bylaw Article VI, Section 9, which may require a special assessment of certain members in excess of such limits.

SECTION 6. In addition to the charges and/or assessments limit by Bylaw Article IX-1, the Board of Trustees will charge a fee to members who have exclusive use of Club property through agreement, lease, license, or other written instrument.

BYLAW ARTICLE X:
Amendments

These Bylaws, the Rules and Regulations for Guidance of the Architectural Control

Committee, or any set of rules or regulations existing or to be formulated and established and enacted by the Board of Trustees may only be amended at any time by a simple majority of the votes cast (in person, or by mail-in ballot or proxy per Bylaw Article V-5) at a special meeting or annual meeting, the purpose of which, or one of the purposes of which is to vote on the aforementioned Bylaws, Rules and Regulations for Guidance of the Architectural Control Committee, or other rules and regulations. Written or printed notice of such meeting shall be given not less than 15 nor more than 50 days before the date of the meeting.

BYLAW ARTICLE XI:
Corporate Seal

The seal of the corporation shall be in circular form and shall contain the words "Driftwood Key Club" and the words "Corporate Seal Washington 1962" in the form and style affixed in these Bylaws by the impression of said corporate seal.

BYLAW ARTICLE XII:
Date of Adoption

These Bylaws are duly adopted by the Corporation and the Corporate Seal thereof affixed on the 24th day of August 1962, and amended on the 22nd day of November 1964, July 25, 1981.

SECTION IV

ARCHITECTURAL CONTROL COMMITTEE

RULES AND REGULATIONS

of

DRIFTWOOD KEY CLUB

DRIFTWOOD KEY CLUB

ARCHITECTURAL CONTROL COMMITTEE RULES AND REGULATIONS⁸

INTRODUCTION

The authority and responsibility of the Architectural Control Committee are contained in the Protective Covenants, Articles of Incorporation, and the Bylaws of the Driftwood Key Club.

The object of these rules is to allow development of a community where the placement of dwellings and adjacent structures on the property of the members blends with the topography in a manner to allow reasonable access to available views within the community.

Responsible planning is essential to achieve these goals and with the diverse ideas presented by membership, it is essential that certain guidelines be known and used.

These are not constraints on the rights of the membership, but are intended to provide protection of the rights of the minority; to preserve and enhance the values of the community, and ensure conformity with applicable regulations.

The Articles of Incorporation, Article II, Paragraph II, in describing the purpose of the Corporation and responsibilities of the Board of Trustees, is quoted in full for the information and guidance of all who would use this document:

"To approve and/or disapprove, as provided by restriction, conditions and covenants affecting said property, plans, specifications for and/or location of fences, walls, poles, dwellings and/or structures to be erected or maintained upon said property or any portion thereof; to approve or disapprove the kind, shape, height, and materials for same and/or the plan indicating the location thereof of their respective building sites and such grading plans as may be required, and to issue permits for the same; to pay any and all expenses and charges in connection with the performance of any of said powers or the carrying out of any of said purposes; to **supervise** construction of any buildings or structures to the extent deemed necessary by the Board of Trustees and to establish rules therefore."

The Architectural Control Committee consists of all members of the Board of Trustees.

These rules and regulations may be amended by members of Driftwood Key Club as defined in Bylaw Article X-1.

⁸ The Rules and Regulations are current as of February 15, 2008.

DRIFTWOOD KEY CLUB
ARCHITECTURAL CONTROL COMMITTEE
RULES AND REGULATIONS

GENERAL REGULATIONS

ALL CONSTRUCTION

All buildings, docks, ramps, floats, piling, bulkheads and construction of any kind at Driftwood Key shall comply with the Architectural Control Committee Regulations and the Protective Covenants which are an inseparable part of title to properties in Driftwood Key. In the event of any of the Driftwood Key Club regulations conflict with any provision of the Protective Covenants, the Protective Covenants shall control.

It is the sole responsibility of the person submitting plans (i.e., "the petitioner") to ensure that all construction shall comply with the applicable building codes of Kitsap County in effect on the date any application is filed with the Architectural Control Committee.

Application for a Kitsap County building permit, or other applicable permits, shall be made only after building plans have been approved by the Architectural Control Committee and the Board of Trustees.

Proposals for docks, ramps, floats, piling, bulkheads must be approved by the Architectural Control Committee prior to application of permits and plans from US Army Corps of Engineers and Kitsap County.

Procedures for submitting plans are contained in Driftwood Key Club Bylaw Article VI8.

DWELLINGS and STRUCTURES

Quoting Bylaw Article VI-8 "Plans for new construction of any kind, remodeling, or additions to structures to be erected or fabricated upon building sites within the Driftwood Key Club development shall be submitted in duplicate for action to the Architectural Control Committee by certified mail or in person at the business office of the club at reasonable hours during the day."

The date of receipt noted on the certified mail receipt by the Driftwood Key Club representative shall be deemed the date the plans are received by the Club. If the plans are submitted in person, then the Driftwood Key Club representative shall issue a receipt in duplicate, noting the date the plans were received. The receipt is to be signed by the person submitting the plans and the person authorized by the Board of Trustees to receive the plans. The second copy of the receipt shall be given to the person submitting the plans. The original shall be filed with the club's records.

Plans which are disapproved shall be date-stamped, stamped disapproved, and signed by the Architectural Control representative authorized to disapprove such plans and returned to the member submitting them with a brief statement as to why the plans were disapproved."

1. **These procedures are binding** on the Driftwood Key Club and the petitioner. Prior to locating, erecting, or building any structure, including outbuildings, and **including any excavating**, filling or grading of any kind on any lot in Driftwood Key, the petitioner will:

A. Submit detailed plans and specifications to provide the following **enclosures**

- 1) Name and address of owners, plus architect and contractor, if any.
- 2) Property identification (block, lot, address)
- 3) Plot plan showing exact location of existing structures, if any, and the proposed structure.
- 4) Survey - Applicant must provide a certificate of elevations prepared by a certified surveyor when submitting building plans to the Architectural Control Committee.
- 5) A scale cross-section drawing of the lot which will show location of the house (or structure) in relation to "average lot grade" and showing the exact height of roof peak above "average lot grade." Average lot grade is to be determined per the method and sample sketch, which is provided as Enclosure 1.
- 6) General construction data: floor plan, dimensions and/or square footage.
- 7) Elevations

B. Stake the four corners of the lot.

- C. Place stake indicating point of "average lot grade."
- D. Stake all corners of the dwellings or structure to be erected.
- E. Post marker on the lot clearly visible from the road, which shows the name, and lot number of the petitioner.

2. Unless proposed plans and specifications are either **approved or disapproved within 45 days (30 days for Driftwood Key and the First Addition)** after filing thereof with the **Architectural Control Committee**, the plans and specifications as submitted shall be deemed approved. Plans and specifications submitted less than 10 days prior to the next Board of Trustees meeting might not be acted upon at the next Board meeting. No variation from submitted plans and specifications shall be permitted without written approval of the Board of Trustees. **There shall be no variation from:**

- A. Height restriction except as noted in Paragraph 5.
- B. The extension of eaves as noted in Paragraph 9.
- C. Structure location on lot according to approved plans.
- D. All new residences will have a minimum square footage of 900 square feet (600 square feet for Driftwood Key and the First Addition) as noted in Protective Covenants.
- E. All new residences will allow parking space for two cars.

3. In considering plans and specifications, including location of structures, the **Architectural Control Committee** shall consider the following:

- A. Quality and workmanship of materials.
- B. Harmony of external design and finish with the topography and existing structures.
- C. The effect which the proposed structure or alterations will have on other building sites and the views therefrom; it being the duty of the Architectural Control Committee to give maximum protection to such views which may be reasonable under the circumstances.
- D. All other factors, which the Architectural Control Committee may in its sole discretion, deem to affect the desirability or suitability of the proposed structure or alteration.
- E. Confirm, by checklist, compliance with all rules and regulations, Bylaws and Covenants including height, average grade of lot, square footage of building. All plans shall be reviewed and approved in writing by at least two members of the Architectural Control Committee before being submitted to the Board of Trustees for final action. Majority vote by the Board of Trustees at a meeting at which a quorum is present is required

for final approval.

4. The **Board of Trustees** may grant **variances** from strict application of these regulations except as noted in Paragraph 2, provided such variance will not abridge the rights of other lot owners and are necessary for the petitioner to have full use and enjoyment of his property.

5. Structure Height

a. No dwelling or other structure shall **exceed 23 feet in height**, as measured from the average ground level of the lot to the peak of the roof. In those outer perimeter areas of Driftwood Key along Vista Key Drive Road to Olympic View Drive to Hood Canal Drive and those lots abutting the Shorewood community on the outer perimeter of Bay Street, the Kitsap County height restriction shall prevail.

b. For lots located in the Flood Zone as defined by attachment 1 to these ACC Rules "average ground level" shall mean the measured average ground level adjusted to be equal to the Federal Emergency Management Authority, FEMA minimum first floor elevation provided that no event shall such adjustment exceed one foot.

6. The **23 feet height restriction** can be changed by a majority vote of the membership at the annual membership meeting, or special meeting called for that particular purpose.

7. All structures shall meet the standards of construction as established by Kitsap County, and every dwelling shall have a permanent continuous block or poured concrete foundation extending below the frostline and at least 6 inches above grade, except that on sloping uplands, piers and permanent skirting may be permitted subject to written approval of the Board of Trustees. All structures shall be constructed of new material.

8. The work of construction of **all dwellings and structures** shall be **prosecuted diligently** and continuously until such buildings and structures are **fully completed and painted**. All structures shall be completed as to external appearance, including exterior painting, **within 8 months** from the date of commencement of construction.

9 All dwellings in Driftwood Key shall have a minimum of **16 inches of roof overhang**, including gutters.

10. All property owners shall have the obligation to provide **proper maintenance** of individual properties, including care of lawns, landscaping and painting. Continued failure to maintain properties in accordance with reasonable stands, after property notice has been given, may justify remedial action by the Board of Trustees.

11. **Landscaping** shall be provided on each developed lot in all open areas not required for circulation or parking and shall stress lawn or ground cover. Flowering native shrubs and deciduous trees are considered to be desirable supplements.

No native trees or landscaping shall be planted or maintained which will interfere with reasonable **access to available views within the community**.

12. **Fences, hedges, walls, and plantings** - No fence or hedge or boundary wall situated anywhere on any lot shall be higher than 6 ft. above the finished ground surface on the ground on which said fence is situated. No fence, wall or mass planting of any kind shall be placed between the street line and the building set-back line (Driftwood Key and the First Addition). Any fence or hedge or boundary wall be aesthetically pleasing, and must be approved by the entire Architectural Control Committee (Second through Twelfth and the Park Additions).

13. No yard shall be used for **storage** or unserviceable vehicles, appliances, furniture or unsightly litter.

14. All permanent utility wires shall be **underground** on all properties.

15. No building material of any kind shall be placed or stored upon any lot until the owner is ready to commence construction and the building materials shall be placed within the property line of the building site upon which said structure shall be started and shall not be placed in the streets.

16. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, except during period of construction, either temporarily or permanently.

DOCKS and BULKHEADS

1. There shall be no structure of any kind including docks, ramps, floats, piling, or bulkhead constructed on Driftwood Key tidelands without **permission** of the Board of Trustees.
2. A careful examination of the use of the waterways is essential **prior** to securing permission from the Board of Trustees and **prior** to securing permits.
3. Submit a **general** proposal of specifications with the following:
 - A. name and address of owners
 - B. property identification (addition, block, address)
 - C. a map showing proposed private dock location within the waterways
 - D. approximate dock, length and height

THE HIGHEST PROJECTION OF THE DOCK SHALL NOT EXCEED THE HIGHEST ELEVATION OF THE PROPERTY

1. Structures (piers, floats, docks, ramps) may extend over Driftwood Key tidelands up to 100 feet from the "staked line" or 60 feet from the property line, **except** in those areas where traffic lanes and open waterways, as described in the plan for use of inner bay, restrict said distance, or where such length would encroach on another property owner.
2. You must stay within the **extended property line** into the DK waterways.
3. **Approval** for construction of docks, ramps, floats, piling, and bulkheads on tidelands within Driftwood Key will/may proceed when proposals are approved by U.S. Army Corps of Engineers, State Fisheries, Kitsap County and other pertinent permits are secured for marine structures.
4. **A lease shall be drawn** up between Driftwood Key Club and the lot owner prior to start of any dock construction over Driftwood Key Club tidelands. A copy of the Master Plan for the Inner Bay is on file at the Club office for reference.
5. **NO BOATHOUSES WILL BE PERMITTED.**

PRIVATE DOCKS

PERMISSION AND FINAL APPROVAL

REGULATIONS FOR MARINE STRUCTURES ARE IN ARCHITECTURAL RULES

PERMISSION to construct marine docks, ramps, or floats on your lot and Driftwood Key waterways is given by the DK Board of Trustees after careful review of proposed use of waterways.

You must follow the waterways rules for maximum extension for a dock not to exceed 100' from the staked line or 60' from the waterfront property line.

Additional length may be approved by the Board of Trustees.

You must stay within the extended property line into the DK waterways.

FOR PERMISSION TO BUILD YOU MUST SUBMIT TO THE BOARD OF TRUSTEES A GENERAL PROPOSAL OF **EXPECTED LOCATION** of the construction on your lot in relation to the 60' maximum extension into the waterways.

APPROVAL of marine construction plans and lot locations is provided by US Army Corps of Engineers, the State Fisheries, and Kitsap County.

PERMITS must be obtained from the above agencies by the your builder/contractor or yourself.

MODULAR and MANUFACTURED HOMES

Modular and manufactured homes which would need to be transported into Driftwood Key shall be in accordance with factory specifications and shall be sold direct from the factory or factory representative to the lot owners and shall be adhere to the Architectural Control Rules for constructing a residence.

The Architectural Control Committee may inspect the building prior to transport to Driftwood Key.

The member applying for such installation shall reimburse the Driftwood Key Club for expenses involved in such inspection.

HOUSE TRAILERS -- MOBILE HOMES

Plans for **house trailers**, including structures commonly known as **mobile homes**, will not be approved (see Protective Covenant Number 6). Mobile homes are defined as follows: a factory fabricated dwelling originally designed with such features as a chassis or steel frame so that it may be transported on highways, whether or not it is demobilized or attached to the ground. A mobile home is further defined by utility companies as requiring a plug-in panel or pedestal for hook-up of electrical service.

DISAGREEMENTS

1. In the event of a disagreement over **determining height, grade elevation of structures, length of dock, location of dock as pertains to encroachment on adjoining property**, or other architecture disputes, only data developed by professional personnel licensed to perform in that capacity will be accepted by the Board of Trustees as a condition of approval.

2. Should the Board not agree with the data developed by the petitioner's licensed personnel, then an independent agency of like professional expertise will be hired at Club expense to either verify or deny data provided on behalf of the petitioner, and the decision of the Club's expert will be binding upon the parties.

3. Should Driftwood Key Club employ counsel to enforce any of the Rules and Regulations within the Covenants, Articles of Incorporation or Bylaws of Driftwood Key Club, all costs incurred in such enforcement, including reasonable attorneys' fees, shall be paid by the owner violating same, and Driftwood Key Club shall have a lien upon such lot to secure payment of any such account.

ACC CONTRACT

Name (Hereinafter "Owner") _____

Addition _____ Block _____ Lot _____

RECITALS:

WHEREAS: Owner desires to construct a house or other structure within the Driftwood Keys Club (DKC) Subdivision as set out above and in the attached plans, and

WHEREAS: The Owner must obtain the approval of the DKC Architectural Control Committee of all building and site plans prior to the commencement of any construction by Owner pursuant to the DKC Covenants and Bylaws, and

WHEREAS: The DKC Architectural Control Committee must approve all building and site plans prior to commencement of construction pursuant to the DKC Covenants and Bylaws, and

WHEREAS: Owner desires to obtain the approval of Owner's building and site plans by the DKC Architectural Control Committee, and

WHEREAS: Submitting and complying with this Contract is a condition precedent to obtaining the DKC Architectural Control Committee (hereinafter ACC) approval of Owner's building and site plans,

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. The DKC Articles of Incorporation, Covenants, Bylaws, Architectural Control Committee Rules are by this reference hereby incorporated herein as part of this contract as if set out in full.
2. Owner hereby certifies that Owner has read the DKC Articles of Incorporation, Covenants, Bylaws, Architectural Control Committee Rules and this Construction Contract and hereby covenants and agrees to strictly adhere to the Articles of Incorporation, Covenants, Bylaws, Architectural Control Committee Rules and this Construction Contract. Owner further agrees that the Covenants, Bylaws Architectural Control Committee Rules and this Construction contract are in force and applicable to this project.
3. The Owner understands and agrees that the ACC has the discretion to make final, conclusive, and binding determinations on all matters as regards to the approval of the building and site plans.
4. Owner agrees not to commence construction or erect, place or alter any structure on any lot until construction plans and specifications and plans showing location and height of the structure to be constructed have been approved by the ACC, which approval includes, but is not limited to the quality of workmanship and materials, harmony of external design with existing structures and as to its height and location with respect to topography and finish grade elevation. Owner agrees that the maximum

height of the finished structure will not exceed 23' above the surveyed hub in grade. (Except as stated in ACC Rules and Regulations Item 5 Perimeter Areas allow 35 feet.)

5. Owner understands and agrees that the ACC approval of Owner's plans and Owner's compliance with the covenants and this contract are required by the DKC homeowners association to assure that views, property values and the community character are maintained for the benefit of all members of the association.
6. **Compliance Deposit Requirement:** As security for the Owner's full and faithful performance of the work in accordance with the approved plans and specifications, Design Guidelines, and any terms and conditions set forth in the ACC's approval, or in this contract the Owner hereby agrees to provide to the DKC a Compliance Deposit or Bond. The Compliance Deposit shall be required only on projects with construction cost greater than or equal to \$15,000 and shall be a sum equal to 2% of the estimated cost of construction of the improvement, as set forth in the application for a building permit submitted to Kitsap County or other applicable authority. In the event that the work to be performed consists solely of work that does not require a building permit then the amount of the Compliance Deposit shall be in an amount equal to 2% of the estimated cost of the work on projects of greater than \$15,000 as mutually agreed upon between the Owner and the ACC or, in the absence of contract, as set forth in a verified statement of the Owner's architect, engineer, or contractor performing the work. No deposit is required for those projects of less than \$15,000.

7.0 **Compliance Deposit Use and Return:**

- 7.1 The purpose of the Compliance Deposit is to reimburse the DKC for any costs or expenses incurred in enforcing the Owner's obligations under provisions of this Contract, the ACC Rules, the Covenants, By Laws, and Articles of incorporation. Costs and expenses shall include but not be limited to legal, administrative, engineering, and surveying and also any associated with any completion or preservation efforts that the DKC may elect to take. DKC shall not be obligated to under take any action to complete or preserve the project and Owner shall remain fully responsible for the project.
- 7.2 Return of Compliance Deposit bond or cash deposit as security for the Owner's full and faithful performance.
 - a. Any part of the Compliance Deposit **not** used by the ACC shall be released and returned to the Owner within 30 days after the issuance of a Certificate of Occupancy, the Certificate of Compliance will not be issued until the Certificate of Occupancy has been issued. . Issuance of the Certificate of Compliance is intended only as an indication of compliance with the requirements of this contract and shall not be construed as a representation as to the quality, safety or suitability of the construction or any aspect thereof.
 - b. If a cash deposit was used as the Compliance Deposit it will be return from the trust account with interest earn at the prevailing rate at the bank of DKC's choosing.

- 7.3 The DKC is hereby authorized to apply the Compliance Deposit in any manner authorized under this Section. If the amount of the Compliance Deposit is not sufficient to cover all costs and expenses associated with all areas of noncompliance by the Owner, the DKC may apply the Compliance Deposit in a manner which, in the DKC's discretion, best mitigates the effects of the deficiencies, DKC shall not be held responsible/liable for non-completion or non-compliance or failure to identify same for any reason.
8. Owner hereby agrees and understands that the ACC has the right to withdraw its approval at any time if Owner is found to not be in compliance with the Covenants and Bylaws or this Contract. If the Owner is found to be not in compliance and the ACC withdraws its approval, Owner agrees to immediately correct non-complying construction in a timely manner after receipt of written notice of non-compliance from the ACC.
9. Owner hereby agrees to release, indemnify, hold harmless and defend the ACC, its Chairman, any person acting for the ACC, DKC and the Board of Trustees of DKC from any claims resulting from any action taken pursuant to the provisions of this Contract, ACC Rules, Covenants, or By Laws, including but not limited to approval or disapproval of any plans or specifications, monitoring construction progress, entering the construction site, interfacing with any contractor associated with the project and enforcing the provisions of this Contract, ACC Rules, Covenants and By Laws.
10. Owner hereby provides consent and waives any claim of trespass for the ACC Chairman/members or any member of the DKC Board of Trustees and persons acting for any of the fore going to enter onto the Owner's construction site and to interface with any contractors working on this project for the purposes of determining whether or not the construction project fully complies with the terms of this contract. The ACC Chairman and the DKC Board of Trustee's shall not be required to provide advance notice to the owner or the contactor. This consent shall terminate once Owner has obtained an occupancy permit from Kitsap County for building of their home/project
11. This Contract and the approval of the ACC are only valid if the construction has begun within 12 months of Board Approval.
12. **DKC agrees to:**
- a. Receive and review Owner's drawings and site plans and notify Owner of approval or disapproval within the time specified in 13 below.
 - b. In the event of disapproval, specify the nature of the reason for the disapproval including the Contract, ACC Rules, Bylaws or Covenant that have not been met review and discuss owners proposed remedies.
 - c. Answer questions regarding the ACC Rules.
 - d. Notify owner in writing of any nonconformities found during or after construction
 - e. Discuss with Owners resolution of any disputes.

f. Issue a Certificate of compliance at the conclusion of the construction.

13. The Parties agree that, provisions of the Covenants notwithstanding, the ACC will approve or disapprove the plans and specifications submitted to them within 45 (30 for Driftwood Key and the First Addition) calendar days of the date of receipt. In the event that the ACC has neither approved nor disapproved the plans or specifications within such period, such plans and specifications will be deemed approved.

14. Owner agrees to comply with the requirements of the ACC Check-Off sheet, which is attached here to. The hub stake placement in accordance with the survey shall not be moved until the building has passed its height check or upon written approval by the ACC. If the hub is moved during construction the hub it will be replaced by the surveyor at the owner's expense. It is the owner's responsibility to maintain the integrity of the hub stake location

15. **Notice:** Any notice required to be given hereunder shall be deemed sufficiently given if sent by regular mail to the following address of any party hereto.

Owner Active	_____	Contractor Active	_____
Address		Address	
	_____		_____
	_____		_____
	_____		_____

**Driftwood Key Club
P.O. Box 299
Hansville, WA 98340**

16. **Binding on Heirs:** This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, successors, representatives, receivers, trustees and assigns of those parties.

17. **Facsimile Transmission:** Facsimile transmission of any signed original document and retransmission of any signed facsimile transmission shall be the same as delivery of an original. At the request of either party or the parties will confirm facsimile transmitted signatures by signing an original document.

18. **Authority:** If the parties signing this contract are other than individuals, they hereby warrant that they are authorized to bind the named parties to the terms of this contract. If any party to this contract is a Native American, that party hereby waives any issues or claims of Sovereign Immunity.

19. **Time:** Time is of the essence of this contract.

20. **Enforcement:** If any part of this Contract is found to be invalid it shall not affect the

remainder of the Contract. In the event either party to this Contract shall seek to enforce this contract or any duties or obligations arising out of this Contract by legal proceedings, then the prevailing party shall be entitled to an award of reasonable attorney fees and costs for enforcement of this Contract. This Contract shall be construed in accordance with, governed by, the laws of the State of Washington. Venue and Jurisdiction for any suit filed to enforce this Contract shall be in Kitsap County Superior Court.

OWNER and CONTRACTOR certify that they have read the Driftwood Key Club Articles of Incorporation, Covenants, Bylaws, and Architectural Control Committee Rules this Building Contract and Check Off List and agree and covenant to strictly adhere to the Covenants and this Contract.

Dated this ____ day of _____ month, _____ year.

Owner _____

Signature _____

Contractor _____

Signature _____

Driftwood Key Club

Signature _____

Title: _____

ACC Check Off Sheet

Owner hereby initialed and submits for approval by the ACC the following documents:

_____ A. Two (2) complete sets of plans (one set will be returned)

The plans must include an elevation or section drawing, which shows, in detail, the overall height of the structure as it is to be sited in relation to the average lot grade,

_____ B. A certified survey report from a licensed surveyor with a certificate of elevations showing:

All corner elevations

Average lot grade

A roof elevation house plan that clearly shows the average lot grade stake (hub), as established by a licensed surveyor, in relation to the top of roof dimensions

_____ C. A dimensioned plot plan showing the exact location of any existing structure, the proposed structure and all drainage systems.

D. Requirements **Owner** and **General Contractor/Builder** agree to adhere to:

OWNER HAS INITIALED EACH OF THE FOLLOWING REQUIREMENTS AND AGREES TO STRICTLY ADHERE TO EACH AND EVERY RULE

- _____ 1. Lot corners have been staked by Licensed Surveyor and are visible on the lot.
- _____ 2. Average lot grade has been staked by Licensed Surveyor and is visible on lot during the entire construction process.
- _____ 3. All corners of the building have been staked and are visible from the street.
- _____ 4. A sign showing name and lot number of petitioner is visible from the street.
- _____ 5. The maximum height of the structure is not to exceed **23'** above the average lot grade.
- _____ 6. The house has a minimum living space of **900 (600 for Driftwood Key and the First Addition)** square feet.
- _____ 7. All eaves extend away from house a minimum of **16** inches.
- _____ 8. Major Gable ends shall extend a minimum of **8** inches.
- _____ 9. Foundation meets DKC requirements detailed in paragraph #7 of ACC Rules and Regulations.
- _____ 10. All structures shall be constructed of new materials.
- _____ 11. Each sheet of the plans must be numbered (e.g., sheet 1 of 5, sheet 2 of 5, etc.).
- _____ 12. A sani-can is required and site bulk trash container is place on lot to control trash building materials or contractor is responsible to control trash building materials.
- _____ 13. All utility wires must be underground from the house to the nearest connection point; if connection point is across the street or driveway, wires must also be underground.

- _____ 14. All structures will be completed on the outside, including the exterior paint, within **8** months after construction is initiated.
- _____ 15. All structures will be set back from property lines, per current Kitsap County building codes.
- _____ 16. Payment of the Compliance Deposit is due with the submission of this Contract to the ACC.

General Contractor/Builder _____

Items 1-15 only

Signature _____

ASSIGNMENT OF ACCOUNT

Driftwood Key Club Architectural Control Committee Construction
P.O. Box 299, Hansville, WA 98340
Phone (360) 638-2077 Fax (360) 638-2321

NOTE TO ASSIGNOR: This account cannot be released until the Architectural Control Committee issues a Certificate of Compliance and the Certificate of Occupancy has been issued by Kitsap County.

This assignment is for the purpose of securing the Owner's full and faithful performance of the work in accordance with the approved plans and specifications, Design Guidelines, and any terms and conditions set forth in the Architectural Control Committee Construction Contact approval. The undersigned does hereby assign, transfer and set over unto the Driftwood Key Club Architectural Committee all right, title, and interest in and to \$_____

(_____ and no/100 Dollars) of Account No. _____ in the (bank name) _____ with full power and authority to demand, collect, and receive said deposit and to give receipt and acquittal therefore for the uses and purposes prescribed by said Construction Contract as surety for the work authorized by Driftwood Key Club Architectural Control Committee. It is understood and agreed that (bank name) _____ holds the said savings account or time deposit in its possession and agrees to hold \$_____ until a release of this assignment is received from the Driftwood Key Club Architectural Control Committee. In the event that the undersigned fails to faithfully perform all obligations and agreements of the Architectural Control Committee's approval, the deposit will be released to the Driftwood Key Club Architectural Control Committee after 30-days notice on demand, and a "stop-work" order has been initiated.

Signed and dated at _____, Washington, this _____ day of _____ 20_____

Signature of Depositor

Address

City State Zip

ACCEPTANCE- To be completed by bank personnel

The undersigned hereby accepts the foregoing assignment of account or time deposit and agrees to hold the funds until an authorized release is received by the Driftwood Key Club Architectural Control Committee.

Signature of Bank Officer and Title

Date

Bank Address

Branch

City

State

Zip

Phone Number

NOTARIZED SIGNATURE OF AUTHORIZED BANK PERSONNEL

Subscribed and sworn to before me this date: _____

Notary Public in and for the State of Washington

Residing at

My Commission Expires _____

**DRIFTWOOD KEY CLUB
INDEX TO GOVERNANCE DOCUMENTS**

Abbreviation Key

RCW = RCW 64.38 (Homeowners Association Act)

AR = Articles of Incorporation

BL = Bylaws

AC = Architectural Control Rules and Regs.

PC = Protective Covenants

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SECTION V
MEMBER SPECIFIC BOARD POLICIES
AND
PROCEDURES
of
DRIFTWOOD KEY CLUB

DRIFTWOOD KEY CLUB
POLICIES AND PROCEDURES⁹

PREFACE

The Policies and Procedures herein are intended to assure continuity and consistency from one Board to the next as well as to provide a framework or rules for Club Operations and member conduct.

The Policies and Procedures contained in this manual have all been approved by the Driftwood Key Boards of Trustees as of the dates stated. Any changes to the approved policies as well as new policies will be carefully evaluated by the Board of Trustees to assure that the needs of all members are considered, that they are consistent with the governance documents, that they do not unfairly benefit one segment of the membership demographics or interests, and that they are reasonable and effective.

Nothing contained in this section of the manual is intended to conflict with the Governance Documents in the previous four sections.

These Policies and Procedures are subject to change. Therefore, it is recommended that contact be made with the Club office to see if you have the latest inclusions and revisions on specific matters of interest.

⁹ The Policies and Procedures are current as of February 15, 2008.

BR01 - Trustee Duties and Responsibilities

BR01.1 - Overview of Responsibilities: The Board of Trustees is responsible for governing the affairs of the Driftwood Key Club Corporation (Bylaw VI-1). Sections 2-9 of this By-law spell out some these responsibilities. The following paragraphs add more important specifics. Individual Board members will usually gain additional responsibilities by virtue of being elected to a Board officer position or being appointed to chair a Board committee.

BR01.2 - Governing Documents For Driftwood Key Club: Driftwood Key Club is a non-profit, incorporated, homeowners association and hence operates under both Chapters 24.03 and 64.38 of the Revised Code of Washington. Additional governing documents specifically adopted for Driftwood Key Club include the Articles of Incorporation, the Protective Covenants, the By-laws and the Rules and Regulations of the Architectural Control Committee. Other documents providing guidance to the Board are: Robert's Rules of Order (as per Bylaw I-4) and the Board Operations Manual. A copy of Robert's Rules and the Operations manual are available in the Club office. Most important, individual Board members provide leadership by example to the community in carefully following and interpreting these governing documents. It is Board policy that each new Board member be asked to sign an "Oath of Office" whereby they agree to uphold the above-mentioned governing documents.

BR01.3 - Open Decision Making Process: All matters of substance affecting the corporation and/or the membership shall be formally voted upon by the Board in an open business meetings and duly recorded in the official minutes, unless the governing documents require a vote of the membership. Furthermore, the Board will not vote on substantive matters during Board workshops (study sessions) or while meeting in closed executive sessions. In addition, members of the Board will not have private meetings where the purpose is to informally decide upon substantive matters or to decide upon strategies in dealing with such. Expenditures over \$500 shall be formally voted upon by the Board at an official business meeting. Finally, all decisions regarding large-scale maintenance and repair projects are to be made by the Board and **not** by a vote of the Club membership. [Note: the Board may schedule an advisory vote by the full membership on any matter it deems important.]

BR01.4 - Board Involvement in Fiscal Matters: It is important that Board officers go out of their way to encourage full Board participation in and accept full responsibility for the fiscal matters of the Club. The full Board will provide oversight on the financial health of the Club and not, by default, give this responsibility to one or two individuals (e.g., the Treasurer). It is the Treasurer's responsibility to implement Board approved financial policies and to present a full statement of the financial condition of the Club when so directed.

BR01.5 - Liability For Decisions and Actions: The Articles of Incorporation require that the Club carry an insurance policy to protect Board members against liabilities and expenses incurred while acting in the capacity of a Club Trustee (Article VIII). It is Board policy that this liability insurance be maintained at all costs. [Note: the Club maintains a liability policy covering all past, present and future Board members with a limit of one million dollars for one occurrence and two million for two or more occurrences.]

BR01.6 - Conflicts of Interest: Board members should excuse themselves from any Board decision process activity having the potential for substantial personal gain. Board members shall accept no remuneration of any kind for work contracted by the Board. Board

members shall not ask for or receive personal favors from Club employees. To avoid even the appearance of a conflict of interest, Board members shall not accept gifts or gratuities of any kind from Club members. [Obvious exceptions: tangible acknowledgments of service to the Club; normal family and friend gift giving.]

BR01.7 - Conflicts Within the Community: Board members shall **not** get involved in community conflicts, especially those between Club members or between Club and non-Club members. If a conflict involves building or remodeling of structures in Driftwood Key, the Architectural Control Committee guideline on "Disagreements" shall be followed. If the conflict involves Lot Clearing and/or View Obstruction, then By-law VI, Section 9 shall be followed. If a conflict arises between Club members and the Board or between Board members themselves, it should be resolved one-on-one (either orally or in writing) by the individuals involved. If resolution is not possible, then more serious conflicts shall be brought to the attention of the Board president who will use his or her best judgment in dealing with the matter. If a serious conflict persists and the President decides to bring it to the attention of the full Board, it shall be done at a closed Board "executive" session. [Background Information: past Boards have chosen not to establish a formal grievance or complaint process even though special committees have been appointed to develop same.]

BR01.8 - Legal Matters: When the threat of legal action against either the Club or the Board of Trustees is substantiated, the Board president will consult with the Club's attorney(s) and/or experts in the matter for perspective on the matter in question. The Board will make all reasonable attempts to resolve the matter by use of professional mediation services. If mediation fails or is rejected by one of the parties, then the Club membership should be advised of the potential for legal action. In all cases, the Board president will be the point of contact with the Club attorney(s) in legal matters; Board members shall not make independent contact. In all cases, the Board shall do everything in its power to avoid involvement with the legal system in the matter(s) under contention.

BR01.9 - Dealing With Violations of Club Rules and Regulations: The Board President has the ultimate authority to enforce the rules and regulations of the Club. The Board (either as a whole or individually) should **not** attempt to police its members. Members who are reported to be violating the letter or spirit of the rules and policies governing the Club should be dealt with tactfully. Exception to this general policy: willful and repeat violations of the Clubs rules and regulations and governing documents of the Club.

BR01.10 - Dealing With Violations of Law: Club members, guests or renters who appear to be violating County, State or Federal laws should be dealt with by the appropriate authority. Board members and Club employees should generally not be seen by others or see themselves as police officers unless serious physical or emotional harm might result without direct and timely intervention.

BR01.11 - Board Member Attendance at Meetings: There are potentially six types of meetings involving all members of the Board: the annual meeting of the membership in August, special meetings of the membership called by at least 10% of the members, special meetings of the Board, monthly business meetings of the Board, Board workshops prior to each monthly business meeting, and Board "executive sessions" during or after any of the meetings listed above. Board members are expected to attend all of these meetings. [Note: Please notify Board President if you are forced to miss a scheduled meeting.]

BR01.12 - Access Keys and Cards: Board members shall not loan or give their access keys or electronic access cards to non-Board members.

Approved by the Board of Trustees, June 2003

BR06 - The Board Newsletter

BR06.1 - Overview and Objectives: The Driftwood Key Club (DKC) Keynotes has four primary objectives: (1) to give the membership an overview of Board activities; (2) to provide information about issues of importance to members; (3) to provide information about social and educational activities in the Driftwood Key Community; (4) to promote community cohesiveness. It serves as the primary method of communication from the Board to community membership. The *Keynotes* shall feature Board business, appropriate items of Community interest, and may include paid announcements/advertisements.

BR06.2 - Board Business: Appropriate content for the Board business portion of the Keynotes is the following:

1. Reports from Board officers.
2. Reports from standing and special Board committee chairs.
3. Minutes of Board business meetings.
4. Reminders or clarifications of Club rules and regulations.
5. Calendar of Board approved activities.
6. Information regarding Driftwood Key sponsored events.
7. Guest editorials or articles written at the invitation of the Board.

BR06.3 - Community News and Issues: The Community portion of the Keynotes is meant to function as a way to keep the community abreast of a broad range of interests and issues that affect the membership directly. Examples of appropriate content for this portion of the Keynotes are the following:

1. Reports and notices about DKC-sponsored activities held on Driftwood Key Club grounds or facilities that are open to all DKC members and guests (for example, Opening Day). The size of such activity reports and notices shall be limited to a one-half page envelop and print color shall be limited to black and white.
2. Significant events of the life of DKC members (births, deaths, marriages, retirements, etc.); new members; Club history; and notices or warning of safety and criminal activity in Driftwood Key.
3. A calendar of Events showing all facility usage and reservations.

4. Announcements of non-profit fund raising activities where the requesting source is internal to the DKC. The size of the announcement shall be limited to a one-half page space and print color shall be limited to black and white.

BR06.4 – Content from Sources External to DKC: Matters of interest to the DKC Community, but where the source organization requesting space in the *Keynotes* is not connected directly with the DKC, may be included provided a fee is charged to cover expenses. The available space shall be limited to a one-quarter page-sized space. The fee to be charged shall be recommended by the Treasurer and approved by the Board for both color and black and white notices or announcements. Any changes to the fee shall be approved by the Board prior to taking affect. The fees collected shall be used to offset *Keynotes* publication costs. The location of such notices and announcements in the *Keynotes* publication shall be as determined by the editor.

BR06.5 – Commercial Advertising: Commercial advertising may be included in the *Keynotes* provided a fee is charged. The fee shall be developed by the Treasurer and approved by the Board for both color and black and white notices or announcements. Space shall be limited to a business card-sized envelope plus a separate two-line text, page-width, space if requested. The fee to be charged shall be recommended by the Treasurer and approved by the Board for both color and black and white advertising. Any changes to the fee shall be approved by the Board prior to taking affect. The fees collected shall be used to offset *Keynotes* publication costs. The location of advertising in the *Keynotes* shall be as determined by the editor.

BR06.6 - List of Board officers and Board Committee Chairs: A list of the Board members and committee chairs together with areas of responsibility and contact information shall be included in each *Keynotes* issue.

BR06.7 – Items not Allowed in the Keynotes: No portion of the *Keynotes* shall contain politically oriented subject matter such as explicitly or implicitly support of a specific political candidate, political party or political/social issue. Content shall also not include sexually oriented material, religious material or beliefs, or letters to the editor and/or the board.

BR06.08 - Board Committee and Liaisons: A *Keynotes* Committee shall be formed with the appointed editor serving as chair. Two Board members shall be appointed as liaisons to this committee (following RCW 24). The liaisons will keep the Board informed of substantial issues. One liaison shall be designated as the lead and the other as a backup. The board liaisons shall be the sole and ultimate decider regarding content. Both liaisons shall be responsible for assuring that content of the *Keynotes* is consistent with Board Policies and objectives as stated herein.

BR06.09 - Editor Responsibilities: The Board appointed editor shall be responsible for publishing the *Keynotes* in a timely manner. The editor shall publish a quality newsletter with an attractive format, grammatically correct, informative and is easy to read. Content written or approved by individual Board members for the business section shall not be edited except for excessive length and for errors of spelling and grammar. The editor shall operate under the guidance of the Board liaisons but shall not be responsible for soliciting material for input. The editor shall appoint an assistant editor to act when the editor is absent or otherwise unavailable. The editor may form an ad-hoc committee to assist in the publishing the

Keynotes. The committee members serve at the editor's discretion.

BR06.10 - Deadlines and Frequency of Publication: The *Keynotes* shall be published monthly and, to keep content timely, input shall be created and forwarded to the editor so as to support issuing the *Keynotes* by the first full business week of the month following the Board meeting. The editor shall determine the content submission cutoff date and advise all parties accordingly.

BR06.11 - Mailing List: The *Keynotes* shall be mailed or emailed to:

1. all members (even those not in good standing).
2. all renters requesting same (even those without Club privileges).
3. on request, the family of members not living in the community.
4. on request, potential new members in the process of looking for or buying property in Driftwood Key.
5. on request, interested community organizations.

The mailing list shall be maintained by the Office staff and shall be kept confidential.

BR06.12 – Inserts and Color Printing: Due to the excessive labor involved in inserting a separate 8 1/2 x 11 sheet into the *Keynotes*, the use of inserts shall be limited. Additionally, the use of color printing in publishing the *Keynotes* shall be limited due to the additional cost. Occasionally, color picture insert pages showing activities at DKC sponsored events are acceptable and should be budgeted accordingly. The acceptability and use of inserts and/or color printing shall as be determined by the Board liaisons.

Approved by the Board of Trustees July 2007

BR10 - DKC Enforcement of DKC Rules and Regulations

BR10.1 - Policy on Enforcement: The President, and in his absence, any other Officer of the Club, is authorized to undertake, either in person or through direction to the Club staff, any lawful action to enforce the duly enacted policies of the Club against any member violating such policies. The enforcement actions shall include, but are not limited to:

1. restriction and denial of member privileges, including restriction or denial of access to Club facilities;
2. imposing fines and other penalties duly enacted by the Board;
3. where appropriate, referral of the violation to public law enforcement agencies.

Approved by the Board of Trustees, September 2007

OC12 - DKC Governance Committee

OC12.1- Purpose: The purpose of the Governance Committee is to review, revise, and supplement the Driftwood Key Club (DKC) Governance Documents (Articles of Incorporation, Bylaws, Protective Covenants, and Rules of the Architectural Control Committee) to establish a solid legal and practical basis that will allow DKC to govern the DK community effectively. In doing so, the Committee will assure that the Governance Documents are in good order, and comply with accepted best practices and with Washington State law, and will develop methods for maintaining such order and compliance in a secure fashion.

OC12.2 - Charter: The Governance Committee is authorized by the DKC Board of Trustees to review the existing Governance Documents, work with Special Counsel representing the Board, and formulate Governance Documents changes, additions, and deletions consistent with the stated purpose. The Committee will submit its recommendations to the Board for approval, and will make any changes to its recommendations deemed appropriate by the Board before submission of the recommendations to the DKC membership and all others whose approval must be obtained. The Committee will also assist the DKC Board in implementing those recommendations that have been approved. To assure Governance Documents continuity, the Committee will develop and recommend to the Board the most feasible and effective method for assuring revision control and security of the Governance Documents.

Approved by the Board of Trustees, June 2006

CP01 - Marina, Harbor and Waterfront Policies

CP01.1 - Overview: The scope of this policy document is quite broad. Besides the leased marina slips and temporary moorage docks, it covers the launching ramp area, private docks and marinas, boat trailer parking, harbor basin and channel dredging. The word "Marina" (using a capital "M") will reference all of these entities located within the Driftwood Key Community. A lower case "marina" will reference only the leased marina slips and temporary moorage docks.

CP01.2 - Governance of the Marina: It is Board policy that the Articles of Incorporation for the Driftwood Key Club apply also to the operation of the Marina. This means that the Board oversees all aspects of Marina operation and makes final decisions on all matters. It is the responsibility of the Docks and Waterfront Chair/Committee to make decisions regarding the day-to-day operation while fulfilling its overall purpose of maintaining and improving existing Marina facilities. [**Background:** The Marina itself is not the subject of any specific Article, Bylaw or Covenant of Driftwood Key Club. These documents were formulated before the marina was built. The Marina is only mentioned indirectly in Bylaw IX-1 relative to assessments paid to the Harbor/Dredging fund and in Bylaw VI-8 which deals with the construction of docks, ramps, floats, pilings and bulkheads constructed on Club tidelands.]

CP01.3 - Marina As a Self-Sustaining Entity: The Marina and Driftwood Key Club have a close historical, financial and daily operational relationship. However, it has been a long-standing Board policy that the marina be financially self-sustaining: all slip leases moneys go into exclusive funds that can only be used for the operation of the Marina. [Note: A detailed account of the close historical and daily operational relationship of the Marina and the Club can be found immediately following this section of the Board manual.]

CP01.4 - Respective Club and Docks Chair Responsibilities (Who is responsible for what in the Marina?): It is Board policy that the Docks chair be responsible for the day-to-day operation of the Marina. Part of this responsibility includes supervising the daily activities of the caretaker when he or she is functioning as harbormaster. However, it is Board policy that Club office personnel handle the administrative duties of the marina including handling marina slip leases and waiting lists, private dock leases and guest moorage registrations. Furthermore, it is Board policy that the Club Treasurer handles all Marina finances including payment of marina expenses and making financial reports to the Board. In addition, it is Board policy that the Club as a whole is responsible for and pay all expenses related to parking areas in Driftwood Key, including those associated with the Marina. However, it is the responsibility of the Docks Chair to administer the storage of boats and trailers in the area north of the main marina parking lot. Finally, the Docks chair and committee should have primary responsibility for initiating needed dredging of the channel. [Note: a separate ad hoc committee is usually established to accomplish this task.]

CP01.5 - Marina Slip Ownership/Eligibility: Leased moorage is available to all Club members on a first come, first serve basis. Leases are non-transferable; if a boat is sold, the lease cannot be given to the new owner. Renters are not eligible for slip leases even if the Club member conveys all Club privileges to the renter. A boat registration documenting both ownership and length must be submitted with the signed lease. If a boat owner sells their boat and places a new one in the slip, they must notify the office of this change and provide proper documentation. Likewise, if a lessee sells their property in Driftwood Key, the new owner must set up their own slip lease. In summary, slip leases are established for both a specific member and a specific boat. Exception: a lessee may permit guests to use their slip for a period not to exceed two (2) weeks per annum, provided the guest's boat is registered with the Harbor Master together with the time of such use. All lessees are to be treated equally regarding these policies. Abuse of the above policies can result in forfeiting marina privileges.

CP01.6 - Types of Marina Lease Agreements: It is Board policy to maintain five (5) different kinds of slip lease agreements: BOAT DOCK LEASE (for new leases); BOAT DOCK LEASE RENEWAL AGREEMENT (for annual slip lease renewals); TEMPORARY BOAT DOCK LEASE (for lease of a second slip); PRIVATE DOCK LICENSES AND AGREEMENT (for leasing Club owned bottom land in the harbor for private docks); CONDITIONAL USE 30 DAY DISTRESS LEASE (for members or non-members needing dock space for small repairs or other emergencies). All leases except the latter are for members only. Temporary Boat Dock Leases for a second boat are available at the same price as the primary lease, as long as space is available. If a waiting list develops for these slips, the lessee will relinquish the second slip.

CP01.7 - Restrictions on Marina Usage: The Marina is private property and as such shall not be open to non-members or their vessels, except as provided herein for guests of

members or in times of distress as prescribed by Maritime Law. The Marina is not available for any commercial enterprise (e.g., commercial fishing; selling fish; charter boats; boat sales). In addition, float planes and boats over 40 feet (LOD - "Length on Deck") are not allowed moorage at the Marina. Finally, following Bylaw II-5, use of the Marina by organized groups or visiting yacht clubs is prohibited. However, a Club member may invite a few guests to use the marina who all happen to be members of the same yacht club, as long as the Harbor Rules are followed regarding guest moorage.

CP01.8 - Managing the Waiting Lists For Slips: Leased marina slips are assigned on a first-come-first-serve basis. The most popular slips have established waiting lists. If one of these slips becomes available, the office staff will send letters to the first *five* individuals on the appropriate list to determine who is interested. If the individual does not reply to the letter, then they are removed from the list. If they refuse an offer of a slip, they remain on the list in their present position.

CP01.9 - Violations of Harbor and Marina Rules: Willful violation of Harbor Rules will result in a loss of Marina privileges. The Board will administer this punishment, not the Docks chair or harbor master.

CP01.10 - Disseminating Harbor and Facilities Use Rules: It is Board policy that copies of all rules and regulations governing usage of the Marina be made available to ALL who use the Marina. An up-to-date copy of the "Rules For Harbor and Facilities Use," with easy to read printing, will be posted in conspicuous places at all Marina facilities. Copies of all relevant Marina documents will be made available in the Club office for those inquiring about the Marina and will be included with all marina slip leases and renewals. Slips lessees shall indicate their agreement to abide by the published rules when they sign any of the "Boat Dock Lease" documents. Guests of members will be given a copy of these rules at time of registration. [Rationale: for effective enforcement, Marina rules and policies must be made obvious to all.]

CP01.11 - Temporary Moorage and the 72 Hour Rule: It is Board policy to maintain temporary moorage for temporary member use, for temporary member guest use and for temporary emergency use by non-members. It is a long-standing Board policy that a three consecutive day (72 continuous hours) limit be placed on all temporary moorage. It is not permissible to move boat from one slip to another to extend the 72-hour privilege. In addition, 72 hours must pass before a member is eligible for a new 72-hour moorage period. Over-staying this limit will result in a \$50 per day charge.

CP01.12 - Marina Slip Pricing: The annual price for marina slips is determined by the current and future needs of the Marina. Leases are paid in advance for a full year based on Driftwood Key Club's fiscal year (July 1st to June 30th). Annual lease rates are set up on slip length (20' - 30' - 40') *plus* any boat length overage. A two-foot allowance will be made for accessories and attachments (e.g., swim steps, outboards, outdrives, bow or stern pulpits, anchors and anchor rollers, bow sprits). Swim steps that are bolted on (as opposed to molded in) are defined as an accessory. For example, a 32' boat (LOD - "Length on Deck") with two feet of overhangs (totaling 34' LOA -- "Length Overall") must be moored in a 40' slip and pay 40' moorage costs. A 30' boat (LOD) with two feet of overhang may be moored in a 30' slip and pays for a 30-foot slip. Exceptions to this policy, granted by the Docks and Waterfront Chair, are made for slips 11,12, 28, 29, 37, 62, 63 and 88. Pricing for these exceptions is

based only on the length of the boat (LOD) and not on the length of the slip.

CP01.13 - Private Dock Licenses/Club Tidelands: Most of the private docks in the Driftwood Key harbor are built partially on tidelands owned by the individual property owners and partially on Club owned tidelands. Therefore, it is Board policy that owners of private docks in Driftwood Key be leased the appropriate Club owned tidelands and charged a lease fee every five years to cover administrative costs (3% of applicable Club expenses) plus a share of the Club insurance and property taxes. New leases are prorated so that all leases are renewed at the same time. [Notes: A private dock cost report has been established to determine the actual amounts of shared expenses. In an historic agreement many years ago, the Club agreed to not charge private dock owners any more than actual costs.] Private dock owners must adhere to the same Harbor and Facilities Rules adopted by the Board for the Marina. Any changes to and/or new construction of private docks or other structures in the harbor basin must be approved by the Architectural Control Committee according to Bylaw VI-8 and ACC Rules and Regulations for "Docks and Bulkheads."

Approved by the Board of Trustees, February 2008

CP02 - Rules For Harbor and Facilities Use

1. Private Marina: Use of the Driftwood Key Club marina is restricted to Driftwood Key members and their guests.
2. Temporary Moorage is available on the yellow- striped floats at the marina and at the launching ramp docks. Members have first right over guests; there will be no saving of open moorage spaces. There is a three consecutive day (72 continuous hours) limit on all temporary moorage for members or guests. In addition, 72 hours must pass before a member or guest is eligible for a new 72-hour moorage period. Overstaying this limit will result in a \$50 per day charge.
3. Guest Moorage at the yellow striped temporary slips in the main marina or in the launching ramp area must be registered with the Harbor Master (#638-2383) or Club office (#638-2077) in advance of the date you wish to use the moorage. Guests will receive a temporary gate access card. Guests must adhere to all marina rules stated herein.
4. Guests Using Leased Slips: Member slip lease-holders may permit guests to use their slip for a period not to exceed two (2) weeks per annum provided the guest's boat is registered with the Harbor Master, together with the dates of such use.
5. Maintenance Slips: Maintenance slips (the two red stripped floats nearest the marina ramp) are available to members for maintenance purposes only. The 72 continuous hours temporary moorage rule applies also to the maintenance slips.
6. Electrical Outlets: There are no electrical connections on the leased marina docks and the temporary guest moorage slips. The electrical outlets at the bottom of the

marina ramp are for maintenance use only. No extension cords are allowed on the docks for any purpose.

7. Living aboard any boat is not allowed. Occasional overnight sleeping is permitted.

8. Children On Docks: Children under 14 are not allowed on the docks without adult supervision. All children under 12 must wear an approved life preserver when on boats in harbor.

9. Dock Surfaces: All dock surfaces will be maintained in a safe, clean and sanitary condition. No storage lockers, dinghies or other boating gear is allowed to remain on the docks. In addition, no attachments to the docks are permitted except those attached by the Club.

10. Storing Dinghies: Dinghies, canoes, kayaks, etc., may be stored on shore, on-board owner's boat and in water, but not on the docks.

11. Boat Overhangs: In the interest of safety, make sure that no part of your boat (especially anchors and anchor rollers) overhangs on to dock walkways.

12. Water Sports in Harbor: Swimming, skin-diving, scuba diving, water-skiing or other similar water sports are not allowed in the harbor basin. Exception: skin-diving or scuba diving is allowed if boat or marina inspection or maintenance is being performed.

13. Fishing and crabbing are not allowed on the marina docks or in the harbor. Exception: children accompanied by an adult may fish off the outermost float at the launching ramp.

14. Fire on Docks: Open fires or Barbecues are not allowed on any docks. Smoking and fireworks are not allowed. Any boat on fire should be evacuated and 911 called. Do not attempt to fight fires in marina area unless safe to do so.

15. Accidents: Report immediately any accident or injury to the Harbor Master (#638-2383), Club office (# 638-2077) or a Board Trustee.

16. Use Marina Facilities At Own Risk: Anyone using or visiting the Marina or its facilities does so at his/her own risk. Driftwood Key Club assumes no responsibility for loss or damage to property or personal injury except as such liability may be proven to have resulted from negligence by the Driftwood Key Club or its employees.

17. Securing/Moving Boats: When unattended, boats will be secured with a bow, stern and at least two spring lines. Tying alongside another boat (rafting) is not permitted. The Harbor Master is authorized to move or retie boats within the marina if hazardous conditions exist. Except in an emergency, the Harbormaster shall attempt to contact the owner regarding movement of his or her vessel within the marina. In any event, movement of a vessel by the Harbor Master shall in no way hold the Club or Harbor Master responsible for the safety of the

vessel.

18. Navigation Rules: No wakes are allowed; maximum speed in the harbor basin is three (3) knots. All Coast Guard rules of the road apply in the harbor basin. Any boat entering the channel first has the right of way.

19. Dumping in Harbor Basin: No dumping of any kind is allowed in the harbor basin. Do not dump yard waste or other debris on the shorelines.

20. Federal Water Pollution Act prohibits the discharge of oil or oily wastes into or upon any navigable water. If such a discharge causes a film or sheen upon or discoloration of the surface of the water or causes a sludge or emulsion beneath the surface of the water, violators are subject to a \$5000 penalty.

21. Pump Out Station: Use the pump out station when needed to dispose of human waste from sewage holding tanks; flushing heads or dumping holding tanks into the harbor is prohibited.

22. Disputes and Violations of Rules: The Harbor Master has the authority to enforce the above rules and resolve disputes. Willful violations of these rules will incur fines and/or loss of Club privileges if abuse persists.

Approved by the Board of Trustees, April 2003

CP03 - Swimming Pool Rules

1. Members are responsible for their children and guests while they are using the pool and pool area.
2. Each member must use the member's access card to gain entry to the pool area.
3. Everyone must comply with the posted pool schedule. Adults are those who are eighteen years of age or older.
4. Every swimmer must sign (in and out) the logbook provided.
5. Every swimmer must shower before entering the pool.
6. Every swimmer must wear proper swimming attire.
7. Children of diaper age must wear swim diapers.
8. Everyone must wear a current tag.
9. When a child of twelve years of age or less is using the pool, a responsible adult

must accompany the child and be at the pool or pool deck at all times.

10. When a child between thirteen and seventeen years of age is using the pool, at least one other person must be in the pool area.

11. The safety rope must remain in place at all times. No playing on the rope is allowed.

12. No running, rough play, diving, or cannonballing are allowed.

13. No large inflatable objects, rafts, large toys, or fins are allowed.

14. The life ring, backboard and other rescue equipment are for emergency purposes only.

15. No one under the influence of alcohol or illegal drugs may be in the pool or pool area.

16. No food, gum or beverages, except plastic bottles of water, are allowed.

17. No smoking is allowed.

18. No pets are allowed, except for service dogs.

19. No one with a communicable disease or who has been ill with vomiting or diarrhea within the last two weeks may be in the pool and pool area.

20. Any member who violates these rules may have access to all DKC facilities suspended in accordance with DKC Policies BR10 and CP04.

Approved by the Board of Trustees, February 2008

CP04 - Swimming Pool Policies

CP04.1 - Overview: The community pool is a highly valued amenity among members. The Building, Grounds and Pool Chair and the Club Caretaker will coordinate efforts to supervise the operation, maintenance, repair and improvement of existing pool facilities. These individuals shall follow the Rules and Regulations of the Washington State Board of Health For Water Recreation Facilities (as stated in Chapter 246-260 of the WAC). The pool shall be operated in full compliance with all insurance company requirements. Finally, these individuals will implement the Board's pool policies detailed below.

CP04.2 - Pool Advisory Committee: The Building and Grounds Chair will form an advisory committee to meet at least once a year. This Pool Advisory Committee is made up of the Building and Grounds Chair and a cross section of our community, seniors as well as

members with children, who are interested in the well being of the community pool. The committee will discuss issues that pertain to usage and pass recommendations on to the Board of Trustees through the Building and Grounds Chair. Topics that will be discussed at meetings may include: needed changes to rules, procedures, hours and days of operation, purchase of pool equipment and supplies, and any other area of concern brought to the committee.

CP04.3 - Monitoring Pool Rules: It is Board policy that trained lifeguards, paid or volunteer, will not be kept on duty to monitor pool operations. The Caretaker and the Club members using the pool will be encouraged to take responsibility by tactfully reminding rule breakers of the posted rules.

CP04.4 - Formulation and Dissemination of Rules: The Pool Advisory Committee is responsible for making recommendations on pool rules subject to the State Board of Health requirements (WAC 246-260-100-Section 27). The Buildings, Grounds and Pool Chair will then take these recommendations to the Board of Trustees for their action. In addition, the Buildings, Grounds and Pool Chair shall follow two guidelines: (1) all current swimming pool rules and regulations will be sent to all Club members at the beginning of the pool season as an enclosure in the *Keynotes*; (2) the most important dozen or so rules will be posted in prominent places in the pool area.

CP04.5 - Posting Of Signs: Signage for the pool will be strategically located and posted as needed under the supervision of the Buildings and Grounds Chair. Furthermore, there shall be five types of signage: (1) those required by the State Health Dept. and the Board of Trustees; (2) special shower room rules; (3) one sign containing all important emergency information; (4) one sign, "All swimmers must sign in and wear Driftwood Key pool tags on your swimsuit in order to swim in the pool," posted on the entry gate to the pool. (5) temporary special message signs posted as needed.

CP04.6 - Colored Pool Tags: It is Board policy to provide, upon request, one tag for all residents of a members household and up to four additional tags for guests. Lost tags can be replaced for \$10 each. As needed, the Club will purchase tags of different colors and call in all tags from previous years.

CP04.7 - Dates of Operation: The pool will be open weekends only starting Memorial Day weekend through the second weekend in June. After the 2nd weekend in June, it will be open everyday through the 2nd Sunday of September. Additional days of pool operation are at the discretion of the Building and Grounds Chair and the Caretaker and will be decided based upon: member interest, weather forecasts, pool temperatures and budgetary considerations (e.g., costs of propane and the necessity to hire temporary help).

CP04.8 - Hours and Days of Pool Operation: The pool will be open between 10:00 AM and 9:00 PM every day of operation. If possible, all necessary repairs and maintenance to the pool shall be completed outside of these posted hours of operation. On the Caretaker's days off, arrangements will be made to hire a temporary person to handle pool operations and normal maintenance.

CP04.9 - Pool Temperatures: During the periods of operation, the pool will be heated to 82 degrees as a target zone.

CP04.10 - Restrictions On Pool Usage: The pool is reserved for members, their immediate families, their guests and qualified renters. Colored pool tags must be worn by all those in the pool area. Rules for pool use will be adhered to by all of these parties. Use of the pool does not extend to organized groups (Bylaw II-5). Rental of the Clubhouse by private parties does not include use of the pool. The Pool Advisory Committee will recommend the nature and times of restricted swimming sessions. [Note: the current Pool Committee recommends three types of restricted sessions with clearly delineated times for each: "Adult Only Aquacise," "Adult Only Lap Swim" and "Adult Only Swim." The Committee further recommends that the "Adult Only Swim" not be in effect on weekends and holidays.]

CP04.11 - Full Compliance with Insurance Company Requirements: The Building, Grounds and Pool Chair and the Caretaker will be in full compliance with all insurance company requirements for the pool operation. It is especially important to maintain the integrity of all fences surrounding the pool and to keep all doors to the pool area locked (i.e., the magnetic card access system turned off) during the hours when the pool is not in operation.

CP04.12 - Disciplinary Action: If an individual or family consistently misuses any Driftwood Key facility, the whole family will be restricted from use of all Club facilities for THREE MONTHS. Only the Building, Grounds and Pool Chair will enforce these restrictions with support of the Board of Trustees.

CP04.13 - Caretaker' Job Description: The Buildings and Grounds Chair will provide the Caretaker with a detailed job description related to pool operation and a pool operations manual. These two items will be updated by the Buildings and Grounds Chair as needed.

Approved by the Board of Trustees, April 2004

CP05 - Clubhouse Usage Policies

CP05.1 - Usage of Clubhouse By Members: Club members in good standing and their guests may use the Clubhouse during scheduled Clubhouse hours unless reservations have been made through the Office for an exclusive use. The Office staff will notify the Caretaker, in a timely manner, of all reservations for exclusive use. A sign will be posted on the Clubhouse door indicating times when the Clubhouse has been reserved. Individual users 11 years old and under must be accompanied by an adult (18 or older).

CP05.2 - Usage Fees: Consistent with rules for tax-exempt, non-profit organizations, certain civic groups, civic clubs, various entities of either local, county, state or federal government will be permitted exclusive use of the clubhouse without charge. Private meetings, parties or other social activities will be charged usage fees established by the Board of Trustees in accordance with Bylaw IX-6. Public advertising of private functions is not permitted. Rental of the Clubhouse for profit making activities is not allowed. Rental of the clubhouse does NOT include the swimming pool or marina. Other uses of the Clubhouse

must be approved by written request to the Board of Trustees. The Board may choose to waive Clubhouse usage fees in special cases (e.g., a memorial service for a deceased member of Driftwood Key).

CP05.3 - Fees, Deposits and Cancellations: Rental fees will be structured according to the number of attendees on the following breakdown: under 50; 50-99 (maximum building capacity = 99). Fees and deposits will be collected by the Club office at least two weeks prior to the event. The security deposit will be held until final inspection is made as per the Clubhouse Inspection Sheet. Usage fees will be refunded only if the event is canceled at least 48 hours in advance.

CP05.4 - Potential Conflicts in Scheduling: Any scheduling conflicts for the Clubhouse will be resolved by having the date and time application was submitted AND appropriate fees have been paid be the final determinate (i.e., first come, first serve). Any telephone or other requests for reservations will be confirmed only at the time a formal reservation form is submitted and appropriate fees/deposits are paid. Only the office staff will schedule and confirm reservations.

CP05.5 - Responsibility For Conduct: The Club member renting the premises must be present at all times and is responsible for the conduct of their guests. The host member is responsible for cleanup after the event and for any damage that might occur. Minors and guests MUST be accompanied by an adult Club member who is at least 18 and assumes full responsibility for them during Clubhouse use. The Caretaker or any Board Trustee may close down any group usage, if the established rules and regulations are not being followed.

CP05.6 - Renter Privilege: Renters of houses in Driftwood Key Community may rent and/or reserve the clubhouse provided the owners of the property have conveyed their rights in accordance with By-law Article II, Section 5. All other rules and regulations applying to members will apply to the renter.

CP05.7 - Responsibility Lies With Chair: Questions about or issues with usage of the Clubhouse shall be resolved by the Buildings and Grounds Chair.

Approved by the Board of Trustees, February 2003

CP05.8 - Clubhouse Rental Rules

1. Club members in good standing may rent the Clubhouse for private events any day except Sunday.
2. Maximum time for use of the Clubhouse (including setup and cleanup) is 12 hours. The reserved use must occur between 9 AM and 9 PM unless prior arrangements have been made with the Club Office.
3. If you need to cancel this rental, please contact the Club Office (#638-2077) at least seven (7) days prior to the reservation date. The rental fees will be refunded only if the event is canceled at least 48 hours in advance by notifying the Club office. The security/

cleanup deposit will be refunded if the reservation is canceled.

4. Members are responsible for setting up chairs and tables for their specific needs. Set up may occur the day before the event if this arrangement is made with the Club Office. Return all chairs and tables to the storage room at the end of the event except for those few tables and chairs in place at the time of setup.

5. The Club member renting the premises must be on site at all times during the event and is responsible for the conduct of all of their guests. Member renting the Clubhouse may not turn the Clubhouse over to a friend or nonmember for their personal use.

6. Smoking is prohibited in the building and within 25 feet of any entrance.

7. No illegal activity on Driftwood Key property will be tolerated.

8. The Club member renting the premises is responsible for cleanup after the event and for any damage that might occur. Damages in excess of the security/cleanup deposit will be charged to the renting member.

9. If the member has conveyed their right to use Club facilities to a renter, the member is still responsible for any damage that occurs and must sign the Clubhouse rental agreement for their renter.

10. Cleanup must be completed by the 9 PM closing time unless prior arrangements have been made with the Club Office or Club caretaker. If cleanup occurs after 9 PM, be aware that there is a resident in the apartment above the Clubhouse.

11. Under no circumstance is Club property to be removed from DKC premises.

12. Clubhouse rental does not include use of the pool or marina.

13. If liquor is to be served, a permit must be obtained by the DKC member making the reservation. A copy of the permit must be turned into the Office prior to the reservation date. The permit must be posted in a prominent place prior to the party. Liquor is defined as beer, wine and hard liquor.

14. Public advertising of private functions is not permitted without Board approval. This includes newspapers, organizational newsletters, Internet advertising, posted flyers and metered mailings. Temporary directional signs are allowed.

15. The security deposit will be held until the inspection is made as per the Clubhouse Inspection Sheet. Return of the security deposit will also depend upon full compliance to these rules.

16. Call 911 for medical emergencies. For other emergencies, the contact telephone number is 360-638-2383. If no one answers at this number, call any Board Trustee (phone numbers are listed on the bulletin board in the foyer).

17. Group usage will be shut down, if these rules are not being followed.

Thanks for doing your part in maintaining these facilities in the best possible manner.

Approved by the Board of Trustees, December 2007

CP06 - Loaning Club Property to Others/Loaning Member Property to the Club

CP06.1 - Use of Club Equipment by Members/Organizations: Club vehicles, tools, computers, supplies, etc. should not be used by or loaned to Club members (including the Trustees) for their own personal use. Exceptions #1: Club owned electronic equipment, tables, chairs, etc., may be loaned temporarily to neighboring community clubs or to individual members hosting a non-profit civic, community based or charitable function. The Buildings and Grounds Chair shall oversee such loans. Items are to be signed out and item condition reviewed before and after use. The borrower must assume cost of loss or damage. Exception #2: The Office staff may run copies and send faxes of a member's personal documents as long as the member is charged appropriately to cover costs.

CP06.2 - Employee Use of Club Property For Personal Needs: Club employees may occasionally use Club property for personal needs as long as it does not become a frequent occurrence (e.g., use of office machines). Employees may occasionally conduct personal business during established work hours as long as it does not become a frequent occurrence. For example, the caretaker may stop to buy groceries while taking care of Club business in the Club vehicle. Inappropriate use of Club equipment or property includes (but is not limited to): promotion of religious or political causes, playing electronic games, viewing or downloading of pornographic material, tying up telephone lines for personal use during business hours, making non-authorized personal long distance telephone calls on Club phone lines. Spouses, significant others and family members of employees shall not use Club equipment or supplies for either personal or Club business at anytime unless they are named as an employee in the Club contract with employees. [Obvious exceptions: dire emergencies; use of furnished apartment]

CP06.3 - Loan of Member Property For Club Use: Board members may okay the use of personal equipment/property for Board approved activities and projects. If possible, Board members supervising such activities and projects shall inform the Board of the need for specific equipment the Club does not currently own. If the Board approves use of personal equipment by its members, the Board should be prepared to offer compensation for the loss if the loaned property is damaged or destroyed. If Club members loan equipment for Club activities and projects without the prior approval of the Board, then the Board is under no obligation to offer compensation, but will review the matter on a case-by-case basis.

CP06.4 - Loan of Employee Property For Club Use: It shall be Board policy to furnish all tools and equipment necessary to do the jobs and projects asked of them. Employees seeing a need for specific Club furnishings, equipment, etc., should communicate that need to their immediate supervisor. Supervisors should regularly assess the needs of their area, especially when the Treasurer presents a new budget for the next fiscal year. If the Board approves usage of an employee vehicle for Club business, the owner will be compensated at the rate per mile currently allowed by the IRS.

Approved by the Board of Trustees, March 2007

FN01.6 - Schedule For Dealing With Unpaid (Delinquent) Dues and Assessments

The following schedule of charges and actions for delinquent accounts is authorized by the DKC Board:

30 days late: Unless other arrangements have been approved by the DKC Treasurer, Access Key Cards for all delinquent accounts shall be deactivated. A 2nd invoice shall be sent together with a letter outlining the following:

1. The member's magnetic access card has been deactivated and access to Club facilities is no longer allowed.
2. To recover office costs, the member's account will be charged \$10 to reactive the card.
3. That monthly interest is now being charged to the account on the unpaid balance in accordance with the provisions of Bylaw IX-1.
4. That the member's account is also being charged costs incurred by the office to administer the delinquent account based on a schedule available in the DKC Office.
5. That the member has the option to be heard by the Board of Trustees or by the Club Treasurer in regard to extenuating circumstances.

In addition, the Office shall attempt to contact the delinquent member by telephone. All such calls shall be documented in the member's file.

60 days late: A 3rd invoice shall be sent together with a letter from the Office stating that the account remains delinquent and is accumulating administrative costs plus monthly interest (continuing from July 1st). The letter will request the member to contact the Treasurer.

90 days late: A 4th invoice shall be sent that details the accumulating office costs and interest charges.

120 days late: A 5th invoice together with a "delivery receipt requested" letter from the Treasurer shall be sent to the member. The letter will state that the account is continuing to accumulate interest and administrative costs and that failure to bring the account current within twenty days will result in a property lien being filed with the County as required by Bylaw Article IX-2. The office shall also attempt to contact the member by telephone. All such calls shall be documented in the member's file.

150 days late Plus: The Board Treasurer shall file a lien on the property with Kitsap County. Costs to file the lien as well as related administrative costs shall be added to the

delinquent member's account. Further invoicing will be suspended until the succeeding Fiscal Year's dues and assessment invoices are sent.

Additional Liens in Subsequent Years: A filed lien remains on record until it is released. Accordingly, the Treasurer shall file an additional property lien on December 1st for the total account balance owed at the time of filing, less the amount of any liens already filed, plus lien filing and administrative costs. Previously filed liens will be released once the related Fiscal Year's account balance (including lien release and admin costs) has been paid. (This procedure results in one additional lien per year with charges and fees through November 30th that were not included in previous liens).

Additional Actions: Any member whose delinquent account with the Club equals or exceeds \$500 shall be subject to civil action by the Club to obtain the entire unpaid balance of the account, and any lien and admin costs, and any attorney fees incurred in the civil action. Prior to initiating any such civil action, the Board Treasurer shall notify the member by certified mail of the unpaid balance and any lien and admin costs, and of the Club's intention to seek payment by civil action. In the event the member does not bring the account current within 30 days of the receipt of such notice, the Treasurer shall file and prosecute to judgment the civil action with the appropriate court (depending on the amount owed). Any judgment awarded to the Club may be used in any appropriate collection procedure, including but not limited to garnishment of the member's wages and recording of the judgment against other real properties owned by the member.

Approved by the Board of Trustees, February 2008

MS01 - Rentals in Driftwood Key

MS01.1- Members Renting or Leasing Their Property: The leasing of residences for a minimum of six months is allowed. Daily, weekend or motel type renting is not allowed. [Note: Members leasing their property are reminded that under both State and Kitsap County laws, you are liable for public nuisances, excessive noise levels and possible illegal activities by your renters.]

MS01.2 - Conveyance of Member Rights to Renters: "Members may convey their rights to use of the Club-operated facilities to only one renter and those members of the renters immediate family living with the renter at his residence." [Bylaw II-5] A signed conveyance of rights, on a form provided by the Club office, is necessary for renters to access these rights. The proper form should be submitted with a copy of the rental agreement attached. Further, it is Board policy that the Driftwood Key facilities are to be used by the members, the member's guests and renters who have legally established residence here. "Residence" meaning that they are residing in the structure and can provide proof with paid bills, etc., showing that address as their legal residence. [Approved by the Driftwood Key Board of Trustees, April 2003]

Approved by the Board of Trustees, April 2003 and April 2005

MS02: Harbormaster Job Description

MS02.1 - Overview: The Club caretaker will spend up to 30% of contracted work time fulfilling the Harbormaster duties listed below and will maintain a good working relationship with the Docks and Waterfront chairperson, their immediate supervisor.

MS02.2 - Regular Cleanup: Keep docks, ramps and marina related parking areas clean of debris; sweep or hose down the docks and ramps as needed. It is especially important to clean off sea growth from the lower end of the launching ramp.

MS02.3 - Enforce Dock Rules: Do frequent cursory checks of docks and marina users making sure posted Harbor and Marina rules are being followed. Watch for unauthorized use of marina facilities. Make sure the 72-hour rule is being followed in temporary moorage areas. Make sure guests are properly registered.

MS02.4 - Inspections of Property: Perform daily inspections of docks, ramps and parking areas. Make sure security devices are operating properly. Perform a careful monthly inspection of the docks and required safety devices. Wear a life preserver on the docks, especially during the winter months when on docks alone.

MS02.5 - Repairs and Upgrades: Report problems and needs (especially unsafe conditions) to the Docks and Waterfront Committee Chair or the Board President. Do minor repairs and maintenance to marina facilities as needed. Major maintenance and repair items are the responsibility of the Docks and Waterfront committee, not the Harbormaster.

MS02.6 - Boat IDs: Perform a check of boats and boat trailers every six months to make sure they have the required Driftwood Key identifications and decals. Especially check boats in the leased slips against the master list of lessees (i.e., check the WN registration numbers to make sure they correspond with what is on file).

MS02.7 - Accidents, Injuries and Serious Incidents: In case of an accident, injury or serious incident that could have resulted in same in marina areas, file a written report. Contact the Docks and Waterfront chair or a Board member as soon as possible regarding the incident.

MS02.8 - Disputes and Violations: The Harbormaster has been given authority regarding disputes and violations of the published Rules For Harbor and Facilities Use. If a dispute is not resolved, then it should be taken to the Docks chair and to the Board.

MS02.9 - Problems With Individual Boats: Call the owner(s) of any boats in distress (e.g., in danger of sinking). If immediate action is necessary to prevent loss, take whatever action is most appropriate. Do not provide either emergency or normal repair and maintenance services for boat owners.

MS02.10 - Assignment of Marina Slips: The Office staff has full responsibility for assigning marina slips and answering questions regarding same.

MS02.11 - Miscellaneous Maintenance Duties: Regularly test the pump out station and high-level alarm to make sure they are operating properly. Install dock hoses and remove them as the seasons dictate. Shut off the water to the docks and remove the overflow valve during the winter season.

MS02.12 - Line of Authority: Regularly report Harbormaster related activities and problems to the Docks and Waterfront Chairperson.

Approved by the Board of Trustees, July 2003

SECTION VI

SCHEDULE OF
DUES ASSESSMENTS AND FEES

of

DRIFTWOOD KEY CLUB

**DRIFTWOOD KEY CLUB
SCHEDULE
DUES, ASSESSMENTS, AND FEES¹⁰**

Annual Dues and Assessments

Fiscal year for DKC is July 1 – June 30
Dues and Assessments are due on July 1

Dues	\$170.00
Harbor & Dredging Assessment	\$178.00
Building & Grounds Assessment	<u>\$ 20.00</u>
	\$370.00

Governance Assessment (one time assessment)

Total not to exceed \$67.00

2007 assessment due October 31, 2007	\$45.00
2008 assessment due July 1, 2008	\$22.00

Clubhouse Rental

\$60.00 per day for up to 49 persons
\$110.00 per day for up to 99 persons
\$100.00 refundable deposit

Boat Trailer Parking

\$100.00 annually

Marina Boat Slip

\$2.25 per ft. per month

Annual rates:
20' slip \$540.00
30' slip \$810.00
40' slip \$1080.00

¹⁰ This schedule is current as of February 15, 2008.

Private Docks

Private docks are invoiced every 5 years (the next is 2009)

\$37.00 for a 5-year lease from the Club

Copy and Faxing

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Copies	.5	.10	.15
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Long Dist. .75

Receiving .75 First page Additional .25

Administration Costs

\$5.00 to replace an access card. Limit of two cards per member. First card is free.

\$10.00 to reactivate access card after deactivation

\$10.00 to replace lost swim tags. First set of tags is free.

1% interest charged monthly on unpaid balance of dues and assessments

Misc. administration costs for billing past due members

\$5.00 fee for members returned NSF check

Notary Service

Notary service at the DKC office is free to DK members