

# BYLAWS OF THE GRAND TRAVERSE YACHT CLUB

## ARTICLE I NAME

The name of the organization shall be the Grand Traverse Yacht Club.

## ARTICLE II PURPOSE

The purpose of this Club shall be the promotion, protection and encouragement of boating for pleasure and sport, and to encourage the development and cultivation of good fellowship among its members.

## ARTICLE III MEMBERSHIP

Section 1 - Eligibility. Membership in this Club shall be open to any person eighteen years of age, or over, who is approved by the membership committee and elected by the Board of Directors.

Section 2 - Categories. There shall be five categories of membership: (a) Full Member, (b) Social Member, (c) Honorary Member, (d) Junior Member, and (c) Senior Member.

Section 3 - Family Included. Each category of membership shall pertain to the member-applicant, their spouse, and all dependent children under the age of 24. For purposes of voting, only one vote shall be cast for each family membership.

Section 4 -- Election. Members shall be elected in the following manner: Application shall be submitted in writing and signed by the applicant; this application shall be considered by the membership committee, which shall make a recommendation to the Board of Directors. Upon approval, a membership number, card, and certificate shall be issued to the new member by the Club Secretary. If two (2) or more negative votes are cast, membership shall be denied and the applicant notified by the Club Secretary of the action and all moneys shall be returned.

Section 5 - Full Members. The privileges and responsibilities of Full Members shall be as follows. Full Members, shall be extended all privileges associated with membership in the Club, as well as, any privileges extended through U.S. Sailing through any other affiliations made by the Grand Traverse Yacht Club. Each Full Member shall be entitled to one (1) vote on matters open to voting by the membership at a regular or special meeting. The number of Full Members shall be limited at any and all times to one hundred and fifty (150) (exclusive of families within a Full Membership). Every Full Member shall pay when due into a building fund, in an amount as set from time to time by the Board of Directors.

Section 6 - Social Members. The privileges and responsibilities of Social Members shall be as follows. Social Members shall only be extended the following privileges: Use of the Club for all

scheduled social functions, reduced fees for certain yacht club functions and first rights to be upgraded to Full Membership as and when openings in that category occur. Social members may be accorded such other privileges as the Board may from time to time bestow, in its discretion. The entire category of Social Members shall be collectively entitled to one vote on all matters of business put before the general membership of the club at any regular or special meeting. It shall be the duty of the Club Secretary to poll and cast the vote of these members unless they choose a representative of their own. Social Members shall pay 60 of the Full Member dues.

Section 7 - Junior Membership. Any person, up to the age of 24 may be elected to the Junior Membership classification upon payment of 40 of the Full Member dues. Upon reaching the age of 24 a junior member must seek election as a Full or Social Member. Junior Members shall not be entitled to vote.

Section 8 - Honorary Members. Honorary Membership may be conferred upon such persons as shall, in the opinion of the Board of Directors, have made a special contribution to the advancement or purposes of the Club. Such membership shall hold for a period of one (1) year, gratis, with all rights and privileges of the Social Members., subject to the renewal of the Board of Directors.

Section 9 - Senior Members. Any Member in good standing for the last five (5) years and has reached the age of 65, upon the payment of 60 of the Full Membership dues, shall be entitled to become a Senior Member. Senior Members shall have such privileges (including voting) as they had prior to their becoming a Senior Member.

Section 10- Inactive Status. Members of any category in good standing may request that their names be placed in inactive status. They must do this by applying in writing and receiving the approval of the Board of Directors, at which time the Secretary shall record in the minutes of the meeting the status of that member in respect of any prior regular dues, assessments and building fund fees that were owed. While in inactive status, they will pay no dues and will have no rights, privileges, or use of the Club.

If they wish, at a future date, to reactivate a membership they may do so by:

- a) Notifying the Board
- b) Paying all prior fees and assessments that were owed as of the date the member became inactive, together with all current dues, while being credited for all prior building fees paid before the inactive status was requested
- c) Paying any current additional assessments levied during their inactive status.

Section 11 - Membership Not Transferable. All memberships regardless of category are non-transferable.

Section 12 - Changes Among Categories. The Club shall pursue at all times the Full Member category being completely subscribed, meaning that there are 150 Full Members. If the Full Member category is completely subscribed, then Social Members who may wish to change their classification to Full Member status may request that the Membership Committee place their name on a waiting list. As openings in the Full Member category become available they shall be offered to Social Members who are on the waiting list in order of priority. In the event that the Full Member category shall not be completely

subscribed, then the Board of Directors in its discretion may require Social Members of two or more years' standing to change their classification to a Full Member. In filling persons from Social to Full Member, the Board shall offer those positions to the most senior Social Members first. Given the foregoing policy, the Club discourages Full Members from changing their status. However, if a Full Member wishes to change their status to Social Member, they may request that the Board do so only if one of the following conditions exists: (i) there are persons on the waiting list to become a Full Member, or (ii) a willing replacement is found from outside the Club who is eligible and approved by the Board.

Section 13 \_ Nonpayment of Dues. Ex-members who were expelled from the Club for nonpayment of dues and/or special assessments may be considered for membership on the same basis as new members after two (2) calendar years.

### ARTICLE III-A MEMBERSHIP DISCIPLINE

Section 1 - General Intent. All Members who are in good standing and have paid their financial obligations shall be entitled to participate fully (as their Member category permits) in all Club functions. This Article IH-A shall govern the procedures and standards by which Members may be disciplined. It is expected that the imposition of disciplinary procedures shall be rarely invoked and then only in extreme cases.

Section 2 - Grounds for Discipline. This Article IU-A shall not apply to situations where a Member is delinquent or in arrears in the payment of financial obligations. The remedy set forth in Article III, Section 13 shall apply in those instances. The following may constitute grounds for Member disciplinary action: (a) disorderly conduct on Club premises or while participating at Club functions on a repeated basis, (b) immoral or lewd behavior on Club premises or while participating at Club functions, (c) theft or embezzlement of monies or property belonging to the Club, (d) an assault and/or battery committed while on the Club's premises against any person, (e) failure to comply with Article IV, Section 5, or (f) conviction of a Member of a felony resulting in the imposition of a prison sentence.

Section 3 - Initial Procedure for Imposing Discipline. When a Director or Officer of the Club is informed or becomes aware that a Member may have engaged in an action that constitutes grounds for discipline, the matter shall be promptly placed before the Board of Directors at its next regular meeting. The Commodore shall close the portion of the meeting pertaining to an allegation of conduct by a Member that could warrant discipline, in the Commodore's discretion. If the Board, by 2/3 vote of the Directors present at the meeting, vote in favor of pursuing a disciplinary proceeding against a Member, then the Member shall be notified via certified mail, return receipt requested that he or she must attend the next Board meeting at which the disciplinary proceeding shall occur.

Section 4 - Disciplinary Hearing. A disciplinary hearing shall be held before the Board of Directors. The Member against whom the disciplinary complaint and proceeding has been initiated shall be present in person, but shall not be entitled to representation by any agent or other person (other than a family Member). The Board shall hear the allegations of misconduct satisfying the grounds set forth in Section 2. If the allegations are deemed insufficient to continue, the proceeding shall be dismissed without any record in the minutes. If the allegations

arc deemed to have been established in the first instance, the Member may (but is not required to) address the Board. Following the completion of the foregoing, the Board shall deliberate in an open session. Upon a motion duly made and seconded, the Board shall then vote as follows: (a) first, that the Member did or did not engage in action or conduct that satisfies the grounds for discipline set forth in Section 2; and (b) if there is a 2/3 finding that the Member did engage in conduct that satisfies the grounds for discipline, then the Board shall by simple majority vote a penalty.

Section 5 Penalties. The Board may impose any or a combination of the following penalties: (a) the Member may be reprimanded; (b) the Member may be required to reimburse the Club or its Members for any losses; (c) the Member may be suspended, for a time certain, following which the Member may seek reinstatement following the process outlined in Article III, Section 10; and/or (d) the Member may be expelled from the Club. The foregoing may be applied to some or all of a family membership.

Section 6 - Appeal to Membership. A Member against whom disciplinary action has been imposed may appeal the Board's findings and penalty to the Membership at a special meeting. In order to perfect an appeal, the Member shall obtain a written petition with verified signatures of not less than 30 Full Members. Once the Secretary has verified that a valid petition has been submitted, then a special meeting of the Members shall be called. The sole agenda item at that special meeting shall be the matter of the Member's discipline. At the special meeting the Members present in person (with no proxies permitted) shall constitute a quorum. The meeting shall comply with Sturgis' Rules of Order, and shall be limited to whether the Board abused its discretion in finding the Member's conduct warranted disciplinary action. If the Members present do not by a 2/3 vote overturn the Board's finding, then the disciplinary action shall be final and the penalty shall follow forthwith. If the Members present do find by a 2/3 vote that the Board abused its discretion, then the Member shall be reinstated with full privileges.

Section '7 ..Mandatory Procedures. The foregoing procedures shall be mandatory in all instances. Failure to follow the provisions of this Article III-A shall constitute a failure to exhaust the Club's internal remedies.

#### ARTICLE IV FEES AND DUES

Section 1 Setting Fees. An initiation fee, building fund fee and the annual dues shall be determined by the Board of Directors and placed before the membership for approval at the annual fall meeting, or at a special meeting of the membership. Two-thirds of the members voting shall be required for approval.

Section 2 - Timing. Annual dues and special assessments, if any, shall be billed by February 1 and shall be due before March I each year.

Section 3 - Late Charges. Any member in arrears for dues after March 1 shall be required to pay an additional \$25 fee before the Treasurer may accept such dues in an-ears. If the dues remain unpaid past April 1, the member shall be required to pay an additional fee of \$25 before the Treasurer may accept such dues in arrears. If the dues remain unpaid after May 1, a written notice shall be sent and the member shall be barred from Club privileges.

Section 4- Special Assessments. Special assessments may be proposed by any member of the Club or by the Board of Directors at any meeting of the Club. If approved at the meeting, a notice containing the proposed assessment and a ballot shall be mailed to every voting member by the Secretary not less than two (2) weeks prior to the next regular meeting of the Club or special meeting called for the purpose of voting on the assessment. If said proposed assessment is approved by two-thirds majority of the members voting, either in person at the meeting or by the official ballot signed and mailed to the Secretary at least five (5) days prior to said meeting day, it shall become effective and payable by each member. Failure to pay the special assessment shall be considered in the same manner as dues.

Section 5 - Member Liability for Damage. Members of the Club shall be directly responsible to the Club for all damage done to the property of the Club by themselves, their family, or their guests, and shall pay, within thirty (30) days of receipt of such bill, such sum as ascertained by the Board of Directors in its discretion to compensate the Club. Payment of those sums may be had by way of a special assessment sent to the Member via certified mail, return receipt requested. Failure to pay when due a special assessment levied under this Section 5 may constitute independent grounds for the imposition of disciplinary procedures under Article III-A.

## ARTICLE V GOVERNMENT

Section 1 Power Vested in Board. The entire government and management of the Club shall be vested in the Board of Directors which shall consist of the flag officers, the six (6) directors and the immediate Past Commodore.

Section 2 - Status of Officers. The Club Secretary and the Club Treasurer shall be ex-officio members without the power to vote.

## ARTICLE VI OFFICERS AND DIRECTORS

Section 1 - Flag Officers. The Flag Officers of the Club shall be: 1) Commodore; 2) Vice Commodore; 3) Rear Commodore. All Flag Officers shall serve for a period of one year. Only Full Members, in good standing for at least two years, shall be eligible to be Flag Officers. In addition all Flag Officers shall be owners of a yacht.

Section 2.-. Directors. There shall be six (6) Directors, selected from Full Members, and by the regular voting membership, with a term of office of three (3) years each with terms staggered by the election of two (2) directors each year.

Section 3 - Secretary and Treasurer. A Club Secretary and a Club Treasurer shall be appointed each year by the Board of Directors at the organizational meeting held in January.

Section 4 - Term. AU Officers and Directors shall hold office until their successors have been elected or appointed and qualified.

Section 5 - Vacancies. In case of vacancy on the Board of Directors, the Board shall, at their next regular or special meeting, appoint a regular voting member to hold office until the next

annual business meeting when the vacated office shall be filled for the balance of the original term by election.

## ARTICLE VII DUTIES

Section I - The Commodore's duties shall be as follows:

- a) To preside at all meetings of the Members and of the Board of Directors.
- b) To perform such other duties as the Board of Directors shall require.
- c) To call special meetings of the Club under Article VIII, Section 7.
- d) To call special meetings of the Board of Directors whenever he deems necessary, or upon written request by three (3) or more members of the Board
- e) To be ex-officio member of all committees
- f) To sign all membership cards or certificates.
- g) To hire and discharge all employees and contractors of the Club, subject to Board oversight.
- h) To execute on behalf of the Club all contracts for the sale or purchase of goods or services, subject to Board oversight.

Section 2 - The Vice-Commodore's duties shall be as follows:

- a) To assist the Commodore in the performance of his duties.
- b) In the absence of the Commodore, to officiate in his stead.

Section 3 - The duties of Rear-Commodore shall be as follows:

- a) To assist the Commodore and Vice-Commodore in the performance of their duties.
- b) In the absence of the Commodore and Vice-Commodore, the Rear-Commodore shall be designated to direct the activities of the Club and officiate in their stead.

Section 4 - The Board of Directors shall be responsible to the membership and shall have the entire control and management of the business, property, and all affairs of the Club, and are responsible for the enforcement of the Articles of Incorporation and Bylaws. Other duties of the Board of Directors shall be as follows:

- a) To appoint delegates for one (1) year to any association to which the Club may be entitled to representation.
- b) To exercise all disciplinary authority as described in Article III-A, subject to the appeal rights set forth in Section 6 thereof.
- c) To appoint, for one (1) year, all standing committees and other such committees as they shall deem necessary.
- d) To elect and reinstate members.
- e) To appoint an auditing committee to audit the accounts of the Treasurer before the annual meeting, and review its reports and recommendations.
- f) To hold at least one (1) meeting every two months, at a regular fixed time and place. Five members of the Board shall constitute a quorum for the purpose of transacting the business of the Club.
- g) To appoint a Club Secretary and a Club Treasurer.
- h) Any board member who shall be absent from three (3) consecutive meetings of the board shall automatically cease to be a member of the board and an officer of the Club.

- i) The Board of Directors may reinstate any board member so terminated who in their opinion had satisfactory reasons for their absence.
- j) To make such policies of general application (consistent with these Bylaws) as it deems necessary or desirable, subject to membership review.

Section 5 - The duties of the Secretary or his/her designee shall be as follows:

- a) To keep a record of all the proceedings of all meetings of the Club and the Board of Directors.
- b) To conduct all official correspondence of the Club as directed by the Board of Directors.
- c) To comply with duties as specified by in other parts of the Articles of Incorporation and Bylaws.
- d) To file all documents, records, reports, and communications connected with the Club.
- e) To make a full and detailed report of the club meetings, for transmittal to all members.
- f) To turn over to a duly selected successor, promptly upon retirement from office, all records, accounts, supplies, and funds belonging to the Club which are in his or her possession.

Section 6 - The duties of the Treasurer or his/her designee shall be as follows:

- a) To make all collections for the Club and to pay all bills by check, as directed by the Board of Directors.
- b) To keep accounts of the Club and preserve proper vouchers for all payments.
- c) To prepare a complete financial report prior to the annual business meeting for presentation at that meeting.
- d) To prepare and file, with the proper authorities all government reports, forms, etc. required of the Club.
- e) To turn over to a duly selected successor, promptly upon retirement from the office, all records, accounts, supplies, and funds belonging to the Club which are in his or her possession, and also obtain and turn over to his or her successor sufficient forms necessary to transfer authority to write checks, make deposits and withdrawals.

Section 7 - All delegates to affiliated organizations shall report to the Board of Directors the results of all meetings which they attend as representatives of the Club

## ARTICLE VIII MEETINGS, NOMINATIONS, ELECTIONS

Section 1 - Fiscal Year. The Club shall operate on a fiscal year basis starting January 1 and ending December 31. Membership fees and dues shall be payable by March 1 of each year.

Section 2. Nominating Committee. A nominating committee for open seats on the Board and flag officers of at least one but not more than five Full Members shall be appointed by the Board of Directors and this committee shall submit its list of candidates at the nominating meeting to be held within the first fifteen (15) days of August. At this meeting nominations for any office

may be made from the floor by any active Full Member. Any nomination made in either way must be with the approval of the member being nominated.

Section 3-- Annual Meeting. The annual business meeting of the Membership for the election of officers shall be held within the last fifteen (15) days in September. All offices shall be filled from the slate of candidates nominated at the August meeting, unless vacancies caused by death or inability to serve [cave no candidate for such office].

Section 4- Voting. Voting shall be by ballot, mailed by the Secretary, at least twenty (20) days prior to the September meeting, to each Full, Social, or Senior Member in good standing. Each ballot shall contain the names of all candidates for each office and shall be marked in a distinctive manner indicating choice for each office. Ballots may be brought to the election meeting or mailed so that it reaches the Secretary before the meeting, but in either case should be enclosed in a sealed envelope bearing the member's signature in the upper left-hand corner. There shall be three tellers, appointed by the Commodore, and they shall not proceed to count any ballots until so directed at the election meeting. The results of the balloting, indicating only one candidate elected to each office, shall be announced, and the ballots shall then be destroyed.

Section 5 -- Qualification. New officers so elected and qualified shall be installed into their respective positions effective January I of the following year.

Section 6--- Other Meetings. Meetings of the Membership shall be held or called at the discretion of the Board of Directors so that the membership shall be kept informed of the Club activities. Special meetings may be called by the Commodore or, the Board of Directors, and shall be mailed to all Full, Social and Senior Members indicating time, date, and place. Notice of a special meeting shall also specify the objects of the meeting and no other matter other than those shall be considered.

Section 7 Procedure. At all meetings the rules contained in the current edition of Sturgis' Rules of Order shall govern the Club in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order that the Club may adopt. At all meeting a-quorum shall consist of those members entitled to vote in good standing.

Section 8 - Proxies. At all meetings of the members, a member may vote by proxy, executed in writing by a member. Such proxy shall be filed with the Secretary of the Club before or at the time of the meeting.

Section 9 A spring meeting of the membership shall be held in April.

## ARTICLE IX COMMITTEES

Section 1 Standing Committees. There shall be standing committees and such other committees as may be appointed at the organizational meeting of the Board in each calendar year following the election meeting of the Club. Each committee will serve for one (1) year or until a new Board is formed and appoints a new committee. Each committee will make its reports directly to the Board of Directors unless otherwise directed by them. The standing committees shall be: 1) Membership; 2) Building and Grounds; 3) Race; 4) Social; and 5) Moorings and Storage.



Section 2 - The Membership Committee shall consist of at least one but not more than three members. This committee shall act on all applications for membership and make recommendations to the Board. It shall also send out renewals for all membership when due and collect for the Treasurer all monies received in respect of those renewals.

Section 3 - The Building and Grounds Committee shall be responsible for, and have immediate charge and supervision of: the clubhouse, grounds, furniture, and appurtenances, and shall be responsible to the Board for the same.

Section 4 - The Race Committee shall have charge of all yacht races and shall prepare schedules for the opening of the boating season and submit, at the spring meeting, the dates of the races for the entire year. The committee may change or postpone the date of any scheduled race by posting notice on the Club bulletin board. It shall appoint and arrange for judges, and other officials for each race, It shall adopt and enforce such rules and regulations as it shall deem necessary and prudent, It shall keep an accurate record of entries and the results of Club sponsored races, and shall file a written report on all races with the Club Secretary and make a complete report at the annual meeting. The committee shall also have charge of securing, with the approval of the Board of Directors, all race trophies and the awarding of these trophies to members,

Section 5 - The Social Committee shall have charge of all education, entertainment, and social functions of the Club. This committee may choose subcommittees from the membership to function for any single activity under their direction. It shall assist the Race Committee in entertaining visiting yachtsman and clubs.

Section 6 -- The Moorings and Storage Committee shall be responsible for all parking lot storage, moorings, dinghy storage; maintaining lists of persons for the foregoing; collecting fees; and all matters relating to permits for bottomlands,

## ARTICLE X CONTRACTS AND BORROWING

The Club shall have the power to make contracts, incur liabilities, borrow money, issue its notes, bonds and other obligations by mortgage or pledge of any of its property, or interest therein, wherever situated. The foregoing shall be on such terms and conditions as the Board of Directors determines in its discretion, subject to any limits set by the Membership. Provided, that no debt shall be incurred by the Board of Directors in excess of \$1 00,000 unless the Membership approves a greater sum by majority vote of the Members.

## ARTICLE X-A INDEMNIFICATION

Section 1 -- Basic Right to Indemnity. Every director and officer of the Club shall be indemnified by the Club against all expenses and liabilities, including attorneys' fees, incurred by or imposed upon the director or officer in connection with any proceeding to which the director or officer may be a party, or may become involved, by reason of the director or officer being or having been a director or officer of the Club, whether or not a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of

willful or wanton misconduct or gross negligence in the performance of such duties. Provided that, in the event of any claim for reimbursement for indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Club. The foregoing right of indemnification shall be in addition to and 110t exclusive of all other rights to which such director or officer may be entitled. Further, the Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

Section 2 - Indemnification of Employees and Agents of the Club. The Club may, to the extent authorized from time to time by the board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Club to the fullest extent of the provisions of this article with respect to the indemnification and advancement of expenses of directors and officers of the Club"

Section 3 - Former Directors and Officers. The indemnification provided in this article continues for a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of that person.

Section 4 - Changes in Michigan Law. If there are any changes in the Michigan statutory provisions applicable to the Club and relating to the subject matter of this article, then the indemnification to which any person shall be entitled shall be determined by such changed provisions, but only to the extent that any such change permits the Club to provide broader indemnification rights than such provisions permitted the Club 10 provide before any such change.

## ARTICLE XI AMENDMENT TO BYLAWS

Amendments to the Bylaws must be introduced in writing, by the Board of Directors, at any regular or special meeting of the Yacht Club. Such amendments shall be tabled until the next regular or special meeting, at which time adoption shall require a two-thirds (2/3) affirmative vote of the membership. Notice shall be mailed to each voting member at least twenty (20) days prior to the meeting at which the vote on adoption is taken.

### CERTIFICATION

The undersigned, Secretary of the Grand Traverse Yacht Club, hereby certifies that the foregoing Bylaws, as amended were duly adopted by the membership, effective immediately as of March 16, 2004.

Signed: *Charles R Meyer, III*

Date: 04/21/04 (Minutes for 03/16/04 meeting BoD)