

# **GRAND TRAVERSE YACHT CLUB**

## **BYLAWS**

Approved November 6, 2015

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## **ARTICLE I. NAME**

Section 1. The name of the organization shall be the Grand Traverse Yacht Club.

## **ARTICLE II. PURPOSE**

Section 1. 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 the Club shall be open to persons with an abiding interest and demonstrated experience in the stated purpose of the Club. The minimum age for membership shall be eighteen (18) years.

Section 2. Categories of Membership

There shall be four (4) categories of membership: Active Member, Associate, Life Member, and Honorary Member.

Section 3. Rights, Responsibilities, and Privileges of the Categories of Membership

A. Active Member: Active Members are the core of the Club. The Active Member category shall be limited to a maximum of one hundred fifty (150). Active Members are the equity owners of the Club with each Active Membership having one (1) equal ownership right in the Club. The ownership right is not assignable nor transferable in any manner.

1) Rights of the Active Member shall be:

- a) Each Active Member shall be entitled to one (1) full vote on matters open to voting by the membership.
- b) Active Member shall be the only membership category qualifying to hold Board positions.

2) Responsibilities of the Active Member shall be:

- a) To pay Active Member dues annually, pay into a building fund, and are subject to other fees and assessments in an amount as directed by the Board.

3) Privileges of the Active Member shall be:

- a) Access to the Club facilities at all times.
- b) Access to the launch ramp.
- c) Priority access to moorings and storage facilities as designated by the Moorings and Storage Committee and Club policies.
- d) Reduced fees for certain Club functions as determined by the Board.
- e) Reciprocity privileges with other participating yacht clubs.
- f) Priority use of the clubhouse for rental functions.
- g) Other such privileges as the Board may from time to time bestow at its discretion.

B. Associate: Associates support the purpose of the Club as non-equity participants. The number of Associates may be limited at the discretion of the Board.



- 1) Rights of the Associates shall be:
    - a) The Associates shall be entitled to one (1) collective vote (Collective Associate Vote) on matters open to voting by the membership.
  - 2) Responsibilities of Associates shall be:
    - a) To pay Associate dues annually and other fees and assessments in an amount as directed by the Board of Directors.
  - 3) Privileges of the Associates shall be:
    - a) As openings in Active Membership arise, Associates have the privilege of applying for Active Membership via the Membership Committee.
    - b) Access to the Club facilities during club open hours and special activities.
    - c) Reduced fees for certain club functions as determined by the Board.
    - d) Reciprocity privileges with other participating yacht clubs.
    - e) Other such privileges as the Board may from time to time bestow at its discretion.
- C. Life Member: Life Membership may be granted to an individual who has reached the age of eighty (80) years and has at least thirty (30) years dues-paying membership in the Club or has a combination of age and dues-paying membership totaling at least one hundred ten (110) years. Life Member rights, responsibilities, and privileges are granted for the balance of that individual's natural life. That individual is welcome to share the benefits with their immediate family members so long as the Life Member is present. Life Membership is recommended by the Membership Committee with approval by the Board. Life Membership may be granted to a spouse at the Board's discretion.
- 1) Rights of the Life Member shall be:
    - a) The Life Member shall be entitled to one (1) collective vote (Collective Associate Vote) on matters open to voting by the membership to be tallied with Associate votes.
  - 2) Responsibilities of a Life Member shall be:
    - a) A Life Member may be consulted for wisdom, guidance, tradition, and history of the Club.
  - 3) Privileges of the Life Member shall be:
    - a) Access to the Club facilities during club open hours and special activities.
    - b) Reduced fees for certain club functions as determined by the Board.
    - c) Reciprocity privileges with other participating yacht clubs.
    - d) Use of the clubhouse for private rental functions.
- D. Honorary Member: Honorary Membership may be conferred upon such persons who have made a special contribution to the advancement of the Club, advanced the purposes of the Club's purpose, and/or benefit the Club's standing in the community. Honorary Membership may be recommended to the Board by a member, a Flag Officer, or a Director. The term is for one (1) year and may be renewed for subsequent years at the discretion of the Board.
- 1) Rights of the Honorary Member shall be:
    - a) The Honorary Member shall be entitled to one (1) collective vote (Collective Associate Vote) on matters open to voting by the membership to be tallied with Associate votes.

- 2) Privileges of the Honorary Member shall be:
  - a) Access to the Club facilities during club open hours and special activities.
  - b) Reduced fees for certain club functions as determined by the Board.

Section 4. Family Included  
Membership in any category shall extend to the member's spouse and dependent children twenty-four (24) years of age or younger. Upon request or receipt of a recommendation from the Membership Committee, the Board of Directors may, at its discretion, determine in a case by case basis the extension of privileges of membership to a member's spousal equivalent and/or dependent children twenty-four (24) years of age or younger.

Section 5. Election of Members  
A. Members shall be elected in the following manner:

- 1) Application shall be submitted in writing or electronically and signed by the applicant or submitted electronically. Each application shall have two (2) sponsors who are Active Members in good standing.
- 2) The application shall be considered by the Membership Committee, which shall make a recommendation to the Board for their review. The Board may vote on the applicant for membership to a certain category.
- 3) If two (2) or more negative votes are cast by the Board of Directors, membership shall be denied and the applicant notified by the Membership Committee of the action and any and all monies shall be returned to the applicant.
- 4) Upon approval and payment of applicable fees, a membership number and card shall be issued to the new member.

Section 6. No Assignment of Membership  
No membership or membership interest, in whole or part, in the Club can be assigned, pledged, or transferred in any manner.

Section 7. Changes Among Categories of Membership  
Changes among categories of membership may be made at the discretion of the Board.

Section 8. Nonpayment of Fees  
Ex-members who were expelled from the Club for nonpayment of any fees may be considered for membership after two (2) calendar years.

Section 9. Voting Rights of the Member Categories  
A. The Active Members shall have one (1) full vote per membership on all votes that come before the membership.  
B. All other categories of membership shall have one (1) vote per membership which will be a part of a Cumulative Associate Vote (CAV). All votes in the CAV will be counted and the majority, or plurality in Board Member elections, of the CAV will equal one (1) full vote in all votes that come before the membership.  
C. Any change in voting rights must be made by amendment to the bylaws.

Section 10.

Membership Discipline

- A. General Intent: This section shall govern the conditions and procedures by which members may be disciplined.
- B. Grounds for Discipline: This section shall not apply to situations where a member is delinquent or in arrears in the payment of financial obligations. The following may constitute grounds for member disciplinary action:
  - 1) Disorderly conduct, immoral or lewd behavior on Club premises, while participating at Club or inter-club functions, or while representing the Club,
  - 2) Inappropriate communications to the Club,
  - 3) Theft or embezzlement of monies or property belonging to the Club,
  - 4) Assault and/or battery committed while on the Club's premises against any person,
  - 5) Failure to fulfill a payment as compensation for damages, or
  - 6) Conviction of a member of a felony.
- C. 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 at its next Regular Meeting. The Commodore shall close to non-Board members that portion of the meeting pertaining to an allegation of conduct by a member that could warrant discipline. If the Board, by two-thirds (2/3) vote of the Directors present at the Closed Session, 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 Hearing shall occur.
- D. Disciplinary Hearing: A Disciplinary Hearing shall be held during a Closed Session of the Board. 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 review the allegations of misconduct satisfying the grounds set forth and the member may (but is not required to) address the Board. Upon a motion duly made and seconded, the Board shall then vote determining if the member did or did not engage in action or conduct that satisfies the grounds for discipline. If there is a two-thirds (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.
- E. Penalties: The Board may impose any or a combination of the following penalties and a timeframe for compliance:
  - 1) The member may be reprimanded,
  - 2) The member may be required to reimburse the Club or its members for any losses, costs, and expenses incurred by their acts,
  - 3) The member may be required to make a written apology to those affected by the conduct,
  - 4) The member may be suspended for a period of time, following which the member may seek reinstatement,
  - 5) The member may be expelled from the Club.
  - 6) The foregoing may be applied to some or all of a family membership.
  - 7) Failure to satisfy any and all penalties imposed may be grounds for expulsion.



- F. Appeal to Membership: A member against whom disciplinary action has been imposed may appeal the Board's penalty(ies) 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 thirty (30) Active Members. Once the Secretary has verified that a valid petition has been submitted, then a Special Meeting of the members shall be called by the Commodore or Board. The member being disciplined shall have his/her membership suspended and the penalty(ies) shall be stayed until the determination of the membership is made at the Special Meeting. 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 be limited to whether the penalty(ies) imposed by the Board were fairly warranted. If the members present do not, by a two-thirds (2/3) vote, overturn the Board's imposed penalty(ies), then the disciplinary action shall be final and the penalty(ies) shall follow forthwith. If the members present do, by a two-thirds (2/3) vote, overturn the Board's imposed penalty(ies), then the penalty(ies) shall be withdrawn.
- G. Mandatory Procedures: The foregoing procedures shall be mandatory in all instances. Failure to satisfy the penalty(ies) as imposed shall result in immediate termination of membership. Failure to follow the provisions of this section shall constitute a failure to exhaust the Club's internal remedies.

#### **ARTICLE IV. DUES, FEES, AND PAYMENTS**

- Section 1. Setting Dues and Fees  
Changes to an initiation fee, building fund fee, special assessments, and annual dues shall be recommended by the Board and placed before the membership for consideration at the Annual Fall Meeting or at a Special Meeting of the membership.
- Section 2. Payment  
Annual dues and building fund fees, if any, shall be billed by February 1 and shall be due before March 1 of each year. Other assessments and fees may be billed according to the approved fee schedule.
- Section 3. Late Charges  
Late charges apply to dues, fees, special assessments, building fund payments, and other payments due to the Club. A late payment charge of \$25 per month or portion thereof shall be assessed for any payment not received by the due date. Any payments received which do not include the assessed late payment charge(s) shall not be applied to the member's obligation. If payments, including assessed late charges, remain unpaid after two (2) months from the due date, a written notice shall be sent notifying the member that their membership may be terminated and that they may no longer be entitled to the rights and privileges of Club membership. Termination of membership because of non-payment of dues after the two (2)-month late period shall be decided by majority vote of the Board without appeal to the membership.

Section 4. Dues

- A. Active Members shall pay one hundred percent (100%) of annual dues (Active Member Dues).
- B. Associates shall pay eighty percent (80%) of Active Member Dues (Associate Dues).
- C. A Senior Discount may be taken by those who have reached the age of sixty-five (65) years as of the February 1 invoice date and have spent at least fifteen (15) continuous years as a dues-paying member of the Club.
  - 1) A qualifying Active Member is permitted a Senior Discount of fifteen percent (15%) off of Active Member Dues.
  - 2) A qualifying Associate is permitted a Senior Discount of fifteen percent (15%) off of Associate Dues.
- D. A Junior Discount is permitted for Associates who are under the age of thirty (30) years on the February 1 invoice date.
  - 1) The permitted Junior Discount is twenty-five percent (25%) off of Associate Dues.
- E. A Life Member shall pay no annual dues.
- F. An Honorary Member shall pay no annual dues.

Section 5. Building Fund

A Building Fund, approved by the membership, shall be paid by Active Members. Its purpose is to fund capital expenditures by the Club, either for a specific purpose or to support recurring capital expenditures. Payment into the Building Fund may be levied once per Active Membership with the option of reassessment at the Board's discretion upon rejoining the Club as an Active Member after a period of non-membership.

Section 6. Special Assessments

Special Assessments may be proposed by any Active Member of the Club or by the Board at any meeting of the Board. Such proposals shall clearly state the purpose of the funds sought, the amount of the funding, and the schedule of member billing(s). If the proposal is approved by the Board, the proposal shall be presented to the membership. Failure by a member to pay a special assessment when due shall be considered in the same manner as failure to pay dues.

Section 7. Member Responsibility for Damage

Members shall be directly responsible to the Club for all costs and expenses incurred in connection with any damage done to the property of the Club by the member, their family, or their guests to an extent and an amount determined by the Board. A member held to be responsible will be notified of their responsibility and amount of reimbursement in writing, sent to the member via certified mail, return receipt requested. The member shall pay the reimbursement amount within thirty (30) days of receipt of such notice. Failure to pay the reimbursement amount when due may result in further member discipline and may be grounds for termination of membership by a simple majority vote of the Board subject to membership appeal as defined in the Membership Discipline section of these bylaws.

Section 8. Other Fees and Charges

Other fees and charges may be determined at the discretion of the Board through resolution, policy, or by delegation to committee(s).

## ARTICLE V. GOVERNANCE

### Section 1. Power Vested in Board

- A. The business and affairs of the Club shall be under the management and strategic direction of a Board of Directors (Board).
- B. The Board shall consist of four (4) Flag Officers plus six (6) Directors.
- C. Each member of the Board shall have one (1) vote on matters before the Board.
- D. Five (5) voting members of the Board shall constitute a quorum for the purpose of transacting the business of the Club.
- E. Subject to any limitations of the Articles of Incorporation, the Michigan Nonprofit Corporation Act or these bylaws, all corporate powers, the business and affairs of the Club shall be exercised and controlled by, or under the authority of, the Board. It is hereby expressly declared that the Board shall have, but not be limited to, the following powers:
  - 1) To be responsible to the membership and to conduct, manage, and control the affairs of the Club and to adopt such rules, policies, and regulations not inconsistent with law or with the Articles of Incorporation or the bylaws as they may deem best and take such steps as it deems necessary for the enforcement of such rules, policies, and regulations.
  - 2) To designate a place for the holding of any Board meeting. To hold at least one (1) regular Board Meeting every two (2) months, at a published, fixed time and place, with failure to attend three (3) consecutive regular meetings cause for immediate removal of a Board Member.
  - 3) To borrow money and incur indebtedness for the purpose of the Club and to cause to be executed and delivered therefore, in the Club's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt, and securities thereof.
  - 4) To manage in such manner as they may deem best, all funds and property, real and personal, received and acquired by the Club, and to distribute, loan, or dispense the same or the income and profits therefrom.
  - 5) To create such trusts, foundations, and subsidiaries, as the Board shall deem necessary.
  - 6) Appoint agents and employ employees, including attorneys and accountants, as it sees fit to assist in the operation of the Club and to fix their duties and to establish their compensation.
  - 7) Prepare budgets and maintain a full set of books and records showing the financial condition of the affairs of the Club in a manner consistent with generally accepted accounting principles, prepare an annual financial report, and cause to be prepared any required tax returns and reports to governmental agencies.
  - 8) Contract for and pay premiums for insurance and bonds, including indemnity bonds, which may be required from time to time by the Club.
  - 9) Pay all taxes, and charges which are or would become a lien on any portion of the Club's properties.
  - 10) Open bank accounts, money market accounts, brokerage accounts, purchase certificates of deposit, and open lines of credit and designate the signatories to such accounts.

- 11) Appoint, remove, or replace committees and make such special appointments as it deems necessary from time to time in connection with the affairs of the Club.
  - 12) Create and appoint Administrator positions at its discretion.
  - 13) Bring and defend actions on behalf of the Club so long as the action is pertinent to the operations of the Club.
  - 14) To elect, discipline, and reinstate members.
  - 15) Review and approve the minutes and financial statements and make them available to the membership in the Board's discretion or upon request of a member.
  - 16) Maintain the club calendar.
  - 17) Delegate its duties and powers to the Administrators of the Club or to committees established by the Board.
- F. Special Board Meetings
- 1) The Board may hold Special Board Meetings as needed to address any business of the Club that requires consideration sooner or outside a Regular Board Meeting.
- G. Closed Session
- 1) The Board, at its discretion, during a Regular or Special Board Meeting, may choose to meet in Closed Session to discuss Club issues of a sensitive nature.
  - 2) The minutes of a meeting at which Closed Session has been called, shall reflect that the Board moved into Closed Session and record who was present during the Session.
  - 3) The discussions of the Session shall be limited to the reason for which the Board moved into Closed Session and may not be entered into the official record of the meeting.
- H. Voting by the Board may occur by voice vote, roll call, secret ballot, or by electronic methods at the discretion of the Board, consistent with the prescriptions of these bylaws, the Michigan Nonprofit Corporation Act, and the Standard Code of Parliamentary Procedure.

Section 2. Limitations

The foregoing powers shall be on such terms and conditions as the Board determines in its discretion, subject to any limits set by the membership, provided that no debt shall be incurred by the Board in excess of one hundred thousand dollars (\$100,000.00) unless the membership approves a greater sum by vote at a meeting of the members.

Section 3. Qualifications for Office

An owner member, who has fully paid their Building Assessment and who has been a member of the Club for 5 years prior to a potential term shall be eligible to serve as a Flag Officer or a Director. A Flag Officer or Director shall remain in good standing at all times during his or her term of office. Only one (1) family member of a membership may be represented on the Board at any one time.

## **ARTICLE VI. FLAG OFFICERS, DIRECTORS, AND ADMINISTRATORS**

### Section 1. Flag Officers

- A. The Flag Officers of the Club shall be: Commodore, Vice Commodore, Rear Commodore, and Immediate Past Commodore (who shall be referred to as Past Commodore).
- B. All Flag Officers shall serve for a period of one (1) year.
- C. Only Active Members owning or having previously owned a yacht while a member of the Club shall be eligible to be nominated to serve as a Flag Officer.
- D. The Flag Officers shall be elected annually as prescribed by these bylaws with the exception of the Immediate Past Commodore who shall hold the flag of Past Commodore for the year immediately following the year served as Commodore.
- E. Active Members shall have previously held a Flag Office or have served at least two (2) years on the Board of Directors to be eligible to be nominated to serve as Commodore.

### Section 2. Directors

- A. There shall be six (6) Directors elected from the Active Members of the Club.
- B. The term of a Director shall be three (3) years.
- C. Terms shall be staggered by the election of two (2) Directors each year.

### Section 3. Administrators: Secretary and Treasurer

- A. The Commodore shall appoint, and the Board shall approve, from the Active Members, a Club Secretary and a Club Treasurer to assist in the operations of the Board.
- B. The appointment and approval of these Club Officers shall occur at the first organizational meeting of the Board in January.
- C. The Secretary and Treasurer are non-voting Club Officers.

### Section 4. Term

Unless otherwise specified in these bylaws, all Officers and Directors shall hold office until such time as their successors have been elected or appointed.

### Section 5. Vacancies

- A. In case of vacancy on the Board, the Board shall, at their next Regular or Special Meeting, appoint an Active Member to fill the vacated Board position until December 31 after the next nomination meeting.
- B. The vacated Board position shall then be filled for the balance of the vacated term commencing January 1, after the next nomination meeting, by an Active Member elected as prescribed in these bylaws.
- C. In the case of vacancy of a Flag Officer, the Board shall, at their next Regular or Special Meeting, appoint a previous Flag Officer or current Board Member to fill the vacated Flag Officer position until December 31. In the case of a vacancy of the Rear Commodore position, the Board shall, at their next Regular or Special Meeting, appoint a previous Flag Officer or current Board member to fill the vacated Rear Commodore position until December 31 after the next nomination meeting.

## **ARTICLE VII. DUTIES OF THE FLAG OFFICERS, ADMINISTRATORS, AND DELEGATES**

- Section 1. Flag Officer Duties
- A. Commodore's Duties
    - 1) To preside at all meetings of the Board and the membership except the annual Nomination Meeting of the Club,
    - 2) To perform such other duties as the Board shall require,
    - 3) To call Special Meetings of the Board and the Membership when deemed necessary,
    - 4) To appoint from the membership for Board approval a Secretary, a Treasurer, Standing Committee Chairs, Committee Members, and other Committees as deemed necessary by the Board,
    - 5) To be an ex-officio member of all committees,
    - 6) To sign all membership cards,
    - 7) To hire and discharge all employees and contractors of the club, subject to Board oversight,
    - 8) To execute on behalf of the Club all contracts subject to Board oversight.
  - B. Vice Commodore's Duties
    - 1) To assist the Commodore in the performance of the Commodore's Duties,
    - 2) In the absence of the Commodore, the Vice Commodore shall be designated to direct the activities of the Club and act in the Commodore's stead.
  - C. Rear Commodore's Duties
    - 1) To assist the Commodore and Vice Commodore in the performance of their duties,
    - 2) In the absence of the Commodore and Vice Commodore, the Rear Commodore shall be designated to direct the activities of the Club and act in the Commodore's stead.

- Section 2. Duties of the Administrators
- A. Secretary Duties
    - 1) To keep a record of all meetings of the membership and Board and make these records available for member review.
    - 2) To conduct official correspondence of the Club as directed by the Commodore or Board.
    - 3) To file and maintain records and communications of the Club and upon retirement from the office, transfer such and any Club-owned property and supplies to a duly selected successor.
    - 4) To comply with other duties defined elsewhere in the Articles of Incorporation, bylaws, and policies of the Club.
  - B. Treasurer Duties
    - 1) To keep, properly document, and report regularly to the Board and membership, the accounts of the Club.
    - 2) To make all collections and pay all bills as directed by the Commodore and Board.
    - 3) To prepare, file, and maintain records of all government required reporting.
    - 4) To work with the Board to create and operate within an annual budget for the Club.
    - 5) Upon retirement from the office, to work with a duly selected successor to ensure a smooth transfer of authority, records, accounts, forms, supplies, and funds belonging to the Club in the retiring Treasurer's possession.

- Section 3. Delegate Duties
- A. To represent the Club as directed by the Board or Commodore.
  - B. To report to the Board the results of all meetings attended on behalf of the Club.

## ARTICLE VIII. COMMITTEES

Section 1. There shall be Standing Committees (required) and such other committees (optional) appointed by the Commodore and affirmed by the Board. Committees shall assist the Board in the fulfillment of our purpose.

- A. Standing Committees will be appointed at the January Regular Board Meeting, and serve for one (1) year or until a new Board is formed and/or the Board appoints a new committee. Other committees may be appointed to serve specific purposes or projects as deemed necessary by the Board. These appointments will be considered need-based and may occur at any time. Other committees shall serve a term determined by the Board. Each committee will make its reports directly to the Board unless otherwise directed. All committees shall serve at the discretion of the Board and should endeavor to coordinate with other committees as warranted. The Board reserves the right to remove and replace committee members or disband a committee by two-thirds (2/3) vote of the Board.

Section 2. Standing Committees

- A. The Membership Committee shall consist of at least one (1) but not more than three (3) Active Members. This committee shall act on all applications for membership, interview applicants, and present applicants to the Board for membership consideration. This committee shall also send out all membership renewals when due and coordinate with the Treasurer as to billings received. The committee shall maintain and update the membership database.
- B. 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.
- C. The Race Committee shall have charge of all yacht races and shall prepare schedules for the opening of the boating season and submit, on or before the Spring Meeting, the dates of the races for the entire year.
  - 1) The committee may change or postpone the date of any scheduled race by posting notice on the Club bulletin board.
  - 2) It shall appoint and arrange for judges and other officials for each race.
  - 3) It shall adopt and enforce such rules and regulations as it shall deem necessary and prudent.
  - 4) 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 Fall Annual Meeting.
  - 5) The committee shall also have charge of securing, with the approval of the Board, all race trophies and the awarding of these trophies to members.
- D. The Social Committee shall have charge of 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.

- E. The Moorings and Storage Committee shall be responsible for all parking lot storage, moorings, dinghy storage, maintaining a database of users and waiting lists, billing for fees, coordinating with the Treasurer as to billings received, coordinating with the Membership Chair, and all matters relating to permits for bottomlands.
- F. Food and Beverage Committee shall be responsible for the day to day operation of the bar and food service, including but not limited to:
  - 1) Supervision of the Club Manager,
  - 2) Menu planning,
  - 3) Regatta and special event planning,
  - 4) Club rental oversight, scheduling, and planning,
  - 5) This committee shall act on all applications for club rentals, interview applicants, and present applications to the Board for rental consideration. It may choose subcommittees from the membership to function for any single activity under their direction.

Section 3. Nomination Committee

- A. The Commodore shall appoint a Nomination Committee to consist of one to five (1-5) Active Members in good standing.
- B. The Vice Commodore shall be the chair of this committee.
- C. Nomination Committee is responsible to oversee nominations for Flag Officer and Director positions ensuring a full slate of eligible candidates.
- D. The Nomination Committee shall be responsible to report to the Board, through the Secretary, the qualified nominee names as selected at the Nomination Meeting.

Section 4. Committee Reporting

The committees shall coordinate with all appropriate committees and members and shall periodically report to the Board to assist the Board in developing and maintaining the Club calendar and to inform the Board of the plans, actions and results of the committees.

Section 5. Qualifications for Committee Service

Except Membership Committee, committee members may be appointed from any membership category and must be in good standing prior to and during their term. More than one (1) family member in a membership may serve on a committee but may cast only one (1) vote for that membership.

**ARTICLE IX. MEMBER MEETINGS**

Section 1. Spring Meeting

A Spring Meeting of the membership may be called prior to May 1 each year for the purpose of acting on items specified in the Notice of Meeting.

Section 2. Nomination Meeting

- A. A Nomination Meeting of the membership shall be held within the first fifteen (15) days of August for the purpose of taking nominations for three (3) Flag Officers; Commodore, Vice Commodore, and Rear Commodore, two (2) Director positions, and any vacated Board position(s).
- B. The Nominating Committee shall preside over the Nomination Meeting.



- C. Qualified nominations made and accepted shall be considered for election by the membership of the Club.

Section 3. Fall Annual Meeting

- A. The annual business meeting of the membership shall be held within the last fifteen (15) days of September for purposes of elections and any other Club business.

- 1) Elections

- a) Open Director and Flag Officer positions shall be elected from the slate of candidates nominated by the members at the Nomination Meeting or qualified write-in candidates.

- i) A member who satisfies the qualification prescriptions of these bylaws shall be eligible to be considered as a write-in candidate for open positions.
- ii) The Board shall be responsible for determining whether candidates are qualified.

Section 4. Special Membership Meetings

- A. A Special Meeting of the membership may be called by the Commodore, the Board, ten percent (10%) of the membership by means of a petition presented to the Board at a Regular or Special Meeting of the Board, or by a member seeking a disciplinary appeal following the guidelines set forth in the Member Discipline section of these bylaws.

- 1) Special Meetings may be called for informational purposes or for the purpose of calling for a vote.
- 2) Except in the case of a Member Discipline appeal, Special Meetings calling for a vote must be preceded by an informational meeting after which the issue will be postponed definitely for a minimum of seven (7) days before a vote can be taken. Both meetings may be communicated in the same Notice of Meeting(s).

Section 5. Notice of Meeting

- A. Notice of Regular or Special Meetings of the membership shall include:

- 1) Notice to all members of all member categories defining the location, date, time, and purpose of the meeting at least twenty (20) days prior to the meeting. Notice is effective upon deposit in the mail or by dated electronic means.
- 2) Notice must be specific as to the purpose(s) of the meeting, giving the membership detailed and sufficient information to make an informed decision on any items being brought to the membership for a vote.
- 3) Only items specified in the Notice of Meeting shall be considered at a meeting of the membership.
- 4) If applicable, the Notice shall include the required quorum and the required percentage of votes needed to affirm the stated purpose(s) of the meeting.

- B. Notice of the Nomination Meeting shall include:

- 1) The place, date, and time the meeting opens and the time the meeting closes.
- 2) Nominations and the acceptance of nominations may be made by mail, electronically, or from the floor in person and must be received by the Nomination Committee by the close of the meeting.

- 3) That a qualified nomination shall be made by an Active Member (nominator) in good standing of an Active Member (nominee) who is in good standing.
- 4) The Nominee must accept the nomination by the close of the meeting to effect a nomination.

Section 6. Voting

- A. All votes taken of the membership shall be by ballot, in person, or by other means as determined by the Board, such that only members in good standing vote in the prescribed category for which they are a member as confirmed by the Club Secretary.
- B. Voting by the membership may occur by secret ballot, voice vote, roll call vote, electronic methods, other means, or a combination at the discretion of the Board and as indicated in the Notice of Meeting.
  - 1) Active Members shall have one (1) full vote per membership. All other categories of membership shall vote in the Collective Associate Vote (CAV) and the majority of the eligible votes received shall equal one (1) full vote reflective of the simple majority, or plurality in Board Member elections, of the collective votes cast.
- C. When voting by mail - Secret Ballot:
  - 1) The Secretary shall mail, at least twenty (20) days prior to the meeting at which a ballot is to be considered, a ballot packet containing the choices the membership is being asked to consider, supporting material if indicated, and the mechanism by which the membership shall record their vote.
  - 2) For a Secret Ballot to be counted, it must be returned sealed in the envelope provided by the club, signed by the member casting the vote above the information defining the member's ballot envelope.
  - 3) All ballots must be placed in the Club's ballot box, delivered in person to the meeting at which the ballot is to be considered, or returned by mail so that the Secretary shall be able to collect it prior to the meeting at which the ballot is to be considered.
  - 4) All ballots will be confirmed and registered by the Secretary as having been cast in their proper category.
  - 5) The Commodore shall appoint three (3) Tellers to separate the ballots from their documentation envelope, tally the votes cast in the appropriate categories, and report to the Secretary the results of the election.
  - 6) The Secretary shall produce, date, and certify an official election document, signed by the Tellers, recording the results of the election without voting counts. This document shall be entered into the minutes of the meeting at which the vote was considered.
  - 7) The results of all votes, without voting counts, shall then be shared with the membership at the meeting at which the ballot is being considered.
  - 8) The Secretary shall collect and destroy all ballots and documentation envelopes unless otherwise directed.
- D. When voting in person - Non-secret Ballot:
  - 1) At a meeting of the membership, a vote may be called for from the members by voice vote or roll call vote.
  - 2) Roll call votes may include written or electronic ballots in the tally of the vote.

- Section 7. Quorum and Threshold
- A. Nominations Meeting: No quorum is required.
  - B. Elections: The quorum will be the number of valid ballots received. The highest number of votes shall elect each Board Member.
  - C. Member Discipline Appeal: Quorum will be the number of members present. Two-thirds (2/3) vote of the eligible members present is required to overturn the Board-imposed penalty.
  - D. Initiation fees, building fund fees, special assessments, annual dues changes, and other matters requiring membership approval: The quorum required will be fifty percent (50%) of the eligible votes (All Active Members in good standing plus the one (1) CAV). Simple majority of votes cast will affirm a proposal.
  - E. Bylaws amendments and expenditures more than one hundred thousand dollars (\$100,000.00): The quorum required will be fifty percent (50%) of the eligible votes. Two-thirds (2/3) of the eligible votes must affirm bylaws amendments and expenditures more than one hundred thousand dollars (\$100,000).
  - F. Dissolution of the Club: The quorum required will be fifty percent (50%) of the eligible votes. Seventy-five percent (75%) of the eligible votes must affirm dissolution of the Club.

## **ARTICLE X. INDEMNIFICATION**

- Section 1. Directors and Officers
- A. The private property, both real and personal, of the Directors and Officers of the Club shall not be subject to the payment of corporate debts to any extent whatsoever.
  - B. Additional Indemnity Protection: The Club shall indemnify its Directors and Officers to the fullest extent permitted by the Michigan Nonprofit Corporation Act. 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 (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 exclusive of all other rights to which such Director or Officer may be entitled.
  - C. A volunteer Director or Officer of the Club shall not receive anything of value from the Club for serving as a Director or Officer other than reimbursement for actual, reasonable, and necessary expenses incurred by a Director or Officer in his or her capacity as a Director or Officer,

- D. A volunteer Director or Officer shall not be personally liable to the Club for monetary damages for a breach of fiduciary duty as a Director or Officer, except for liability:
  - 1) For any breach of the Director's or Officer's duty of loyalty to the Club,
  - 2) For acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law,
  - 3) Resulting from a violation of section 551(1) of the Michigan Nonprofit Corporation Act,
  - 4) For any transaction from which the Director or Officer derived an improper personal benefit, or
  - 5) Resulting from an act or omission that is grossly negligent.
- E. The Club assumes all liability to any person other than the Club for all acts or omissions of a volunteer Director or Officer occurring on or after the adoption of these bylaws limited by the aforementioned exceptions.
- F. In the event the Michigan Nonprofit Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of Directors or Officers, then the liability of a Director or Officer of the Club shall be eliminated or limited to the fullest extent permitted by the Michigan Nonprofit Corporation Act, as so amended. Any repeal, modification or adoption of any provision in the bylaws shall not adversely affect any right or protection of a Director or Officer of the Club existing at the time of such repeal, modification or adoption.

Section 2. Indemnification of Employees, Volunteers, 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, volunteer, 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. Insurance  
 The Board of Directors is authorized to carry officers' and directors' liability insurance covering acts of the Officers and Directors of the Club in such amounts as it shall deem appropriate.

Section 5. Summary  
 The Club shall indemnify its Directors and Officers and may indemnify its employees, members, volunteers, and agents for their lawful acts for the benefit of the Club to the fullest extent permitted by the Michigan Nonprofit Corporation Act to the extent deemed appropriate by the Board of Directors.

**ARTICLE XI. CONFLICT OF INTEREST**

Section 1. A Director, Flag Officer, committee member, member, or employee of the Club shall not use his or her position or office for personal gain or act in a manner contrary to the interest of the Club. Board Members shall abstain from voting on

matters in which the Board Member has a financial or personal interest, whether personally or through a spouse or dependent. If in doubt, the Board Member may submit a written request to the Commodore, who shall make a ruling as to whether the Board Member may vote on the matter.

Further, to ensure impartiality, when a Board Member has a financial interest in a matter, that Director or Officer shall refrain from discussing the matter with other Board Members and Flag Officers, shall not receive any documents relating to the matter, and shall recuse himself/herself from meetings where the matter is discussed.

## **ARTICLE XII. AMENDMENT TO BYLAWS AND INTERPRETATION**

### **Section 1. Amendments**

Amendments to the bylaws must be introduced in writing, by the Board, at any Regular Membership Meeting or Special Membership Meeting of the Club. Such amendments shall be postponed definitely until the next regular Membership Meeting or Special Membership Meeting at least seven (7) days after the amendment decision was postponed definitely. Notice shall be mailed to each voting member at least twenty (20) days prior to the Membership Meeting at which the vote on adoption is taken.

### **Section 2. Interpretation**

In the event of ambiguity in any portion or provision of the Club's bylaws, or in the event of inconsistency between any two (2) or more portions or provisions thereof, the Board shall be empowered to resolve such ambiguity or inconsistency, and its interpretation or construction shall be binding upon all members of the Club; this provided that no modification or change of a prior interpretation or construction by the Board shall invalidate any action taken in reliance upon and according to such interpretation or construction by the Board.

## **Article XIII. GOVERNING LAW**

### **Section 1. State of Michigan**

The Club is organized as a Michigan Nonprofit Corporation under the Michigan Nonprofit Corporation Act (as amended) and is governed by the laws in the State of Michigan and the government of the United States of America.

### **Section 2. Prohibited Activity**

A. At all times, notwithstanding merger, consolidation, reorganization, termination, dissolution, or winding up of the corporation, whether voluntary or involuntary or by operation of law, or any other provision of these Articles:

- 1) The Club is irrevocably dedicated to and operated exclusively for nonprofit purposes and no part of the income, assets, or the net earnings of the Club shall be distributed to, nor inure to the benefit of any individual, including but not limited to the Club's Directors, Officers, members, or other private persons, except that the Club shall be authorized and empowered (subject to the requirements of the Michigan Nonprofit Corporation Act) to pay

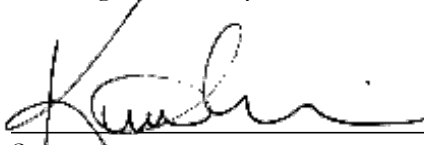
- reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its exempt/nonprofit purposes.
- 2) No substantial part of the activities of the Club shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Club shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal Income taxation under Code Section 501(c)(7).

**ARTICLE XIV. FISCAL YEAR**

Section 1. The Club shall operate on a fiscal year basis starting January 1 and ending December 31.

**CERTIFICATION**

I, Kim Marian, as the duly appointed Secretary of the Grand Traverse Yacht Club, hereby certify that the foregoing bylaws, as amended, were duly adopted by the membership at a Membership Meeting held Friday, November 6, 2015 and are effective immediately and in full force.



Secretary  
Grand Traverse Yacht Club

Dated: 6-Nov-15

## Definitions

Annual Dues	A recurring monetary assessment on the members as a requirement to remain a member to be paid once per fiscal year.
Board	“Board” and “Board of Directors” are used interchangeably to reference the leadership body of the Grand Traverse Yacht Club as defined within these bylaws.
Building Fund	A monetary assessment on the member for the purpose of funding capital expenditures by the Club, either for a specific purpose or to support recurring capital expenditures. Payment of a Building Fund Fee is a requirement of membership of the category of members subject to the assessment.
Club	References the organization, Grand Traverse Yacht Club.
Clubhouse	The Yacht Club’s physical home on the shores of West Bay in Traverse City, Michigan.
Collective Associate Vote (CAV)	For matters requiring a vote of the membership, the CAV is the majority, or plurality in Board Member elections, of all votes received from Associates, Life Members, and Honorary Members and counts as one (1) full vote in the total tally in addition to votes cast by Active Members.
Eligible Votes	All Active Members in good standing plus the one (1) CAV.
Closed Session	The Board has the privilege to call a Closed Session by majority vote of the Board for the purpose of discussing possible disciplinary action, private matters of a membership, and/or proprietary information whose release could be prohibited by contractual agreement or whose release could be otherwise detrimental to the good of the Club.
Fees	Fees that are under control of the Board of Directors or delegated by the Board, subject to review by the Board that do not require approval by the Membership: mooring fees, storage fees, club rental, food, beverages, entertainment fees, banquet fees, club race fees, regatta registration fees, merchandise prices, advertising, cleaning fees, labor charges, set-up fees, linen use fees, membership card fees, key fob fees, key fees, deposits for rental damages, deposits for waiting lists, all fees charged for products or services purchased by a member, and all fees not described in the bylaws as requiring approval by the membership.
Good Standing	Good Standing is defined as any member, regardless of classification, current with all expected payments to the Grand Traverse Yacht Club.
Initiation Fee	A monetary assessment on new members as a condition of admission to a category of membership.
Membership	The collective members of all categories participating with the Grand Traverse Yacht Club, including eligible family members.
Yacht	A Yacht is a registered or documented watercraft used for recreation.

**Amendments made by vote of the membership on September 20, 2019:**

Article V, Section III Qualifications for Office

Amend by Substitution: for the line "An Active Member in good standing for at least five years immediately preceding a potential term..." with the line "An owner member, who has fully paid their Building Assessment and who has been a member of the Club for 5 years prior to a potential term..."

Article IX, Section 5. B 3 (page 14) Notice of Nomination

Amend by deletion: part of such that the last half of the line is deleted and will read: 3) That a qualified nomination shall be made by an Active Member (nominator) in good standing of an Active Member (nominee) who is in good standing ~~and has been an Active Member for a minimum of five (5) years.~~