

SJRYC General Information



SJRYCY By-LAWS (approved November 10th, 2005)

ARTICLE I NAME: The name of this Club shall be the St. Joseph River Yacht Club.

ARTICLE II PURPOSE: The purpose of this Club shall be to promote yachting and boating; to foster seamanship, aquatic sports, activities, and facilities, for recreation, in Benton Harbor and St. Joseph, Michigan and environs; to encourage the development and improvements of the harbor formed by the St. Joseph River and its tributaries; and to own and maintain such real and personal property deemed necessary.

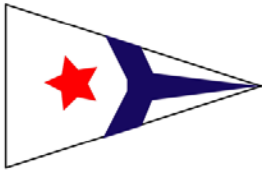
ARTICLE III MEMBERSHIP: There shall be such classes of membership as determined by the Board of Directors of the Club from time to time. Provided, however, the Board of Directors shall not increase or decrease the classes of membership entitled to vote without approval of the majority of voting Members. Currently membership shall entitle the Member, his/her spouse, and their children who are under twenty-one (21) years of age, or under twenty-three (23) years of age and full time students, to use the Club facilities. At the time of adoption of these By-Laws the membership classes are:

Section 1 **Regular Member:** Any person of good standing over twenty-one (21) years of age who is proposed and elected as set forth in Article IV of these By-Laws may become a Regular Member. Such membership is not transferable and creates rights of ownership only in the named Member. Each regular membership shall be entitled to one (1) vote on items the membership is entitled to vote upon.

Section 2 **Honorary Member:** As approved by the Board of Directors, based upon such criteria as may be established from time to time, any person because of position, deed, or contributions to the well-being of the Club, may be named an Honorary Member. Such a membership shall extend from the date of election to the end of the then current calendar year. An Honorary Member shall have all the rights and privileges of a Regular Member, except the rights to vote or to hold office.

Section 3 **Life Member:** A Life member is any member who shall have been a Regular Member, in good standing for thirty (30) consecutive years and who shall have paid an amount equal to the annual Regular membership dues for those years, which payment shall have been in lieu of any further annual dues. Life Members shall have all of the privileges of a Regular Member. Life members are subject to any special assessments. In case of death of the original Life Member, the membership may transfer at the discretion of the Board of Directors to the surviving spouse and not to any other person. Those who became Life Members before June 30, 1985, shall retain their status.

ARTICLE IV ELECTION OF MEMBERS: Any person qualified for membership by these By-Laws, who desires to become a Member of this club, shall make written application, giving such information as the Board of Directors may prescribe. The applicant shall be recommended by a Regular Member in good standing, and shall support his application by two references, one of whom shall be a Member. Each application for membership shall be reported by the Membership Committee to the Board of Directors within thirty (30) days after the application is received. Members may be elected at any meeting of the Board of Directors. After being elected, the applicant will be accepted into full membership upon the full payment of dues and fees.



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ARTICLE V TERMINATION OF MEMBERSHIP: Any membership of this Club may be terminated in the following manner:

Section 1 If any Member is guilty of conduct injurious to the best interest, good order, or peace of the Club, or violates any of the rules of the Club, or permits his indebtedness to the Club to be delinquent for sixty (60) days or more, such person may be expelled from membership at any meeting of the Board of Directors by a two-thirds (2/3) vote of the Directors after giving the holder of the membership in question the right to a hearing. In such cases, it shall be at the discretion of the Board of Directors whether redemption of the membership fee will be made.

Section 2 Any Member may voluntarily resign. The following procedures govern resignation and redemption of the membership fee.

(a) A Member must be in good standing with dues paid to date for the period in which his resignation is accepted.

(b) The Member must submit in writing to the Commodore or the Secretary his request for resignation of membership and enclose the membership certificate, if issued to him, properly endorsed to the St. Joseph River Yacht Club. Upon receipt of the membership certificate, if any, and acceptance of the resignation by the Board of Directors, one of the following shall apply:

1. If, the Member is resigning as a result of moving his residence outside of the area, included in the fifty (50) mile radius from the Club, the Board will refund to the resigning Member the full amount of his equity fee less any accumulated charges.

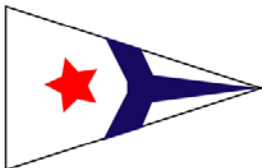
2. If a Member is resigning for reasons not covered above, the Board shall not refund to the resigning member his equity.

ARTICLE VI BOARD OF DIRECTORS: The Board of Directors shall consist of twelve (12) Directors with four (4) new Directors being elected each year for a three (3)-year term. No person shall be qualified to serve on the Board of Directors unless such Member shall be a voting Member in good standing. A Member's spouse is also qualified to serve on the Board of Directors. Only one Member or spouse may serve on the Board of Directors at a time. No Director shall serve more than two (2) successive three (3) year terms of office.

ARTICLE VII ELECTION OF DIRECTORS:

Section 1 At least thirty (30) days before the annual meeting of the Members, the Nominating Committee will report their nominations for Directors to the Secretary. Within five (5) days after receipt of this report, the Secretary shall cause to be prepared and mailed to all voting Members a ballot containing the names of those nominated and at least three (3) additional lines for alternate choices for Director, and with a notation to vote for no more than the number of Directors to be elected.

Section 2 At least fifteen (15) days before the annual meeting of the Members, the Directors to succeed those whose terms shall expire in that year shall be elected by mailed ballot to hold office for the term of three (3) years. The Secretary and one (1) Director, designated by the Board of Directors shall count, tabulate and report the results of such elections to the Board of Directors. The persons receiving the highest number votes shall be elected as Directors in accordance with these By-Laws. Each Director shall hold office from the 1st day of January following his election and until his successor is elected and qualified. Absence on the part of any Director from three (3) consecutive regular meetings, without satisfactory reasons being given, shall be deemed a resignation from the



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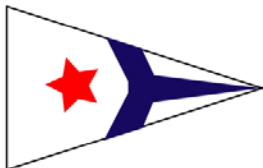
Board of Directors. Vacancies resulting from resignations or death may be filled by the Board of Directors at any meeting of the Board of Directors.

ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS:

- Section 1 The Board of Directors shall meet at least once each month at such time as it may designate, unless the Directors shall vote in advance not to meet for a specific month.
- Section 2 A majority of the Members of the Board shall constitute a quorum for the transaction of business, but less than a quorum may adjourn the meeting to a stated time and place.
- Section 3 The management and control of all of the affairs, funds and property of the Club shall be vested in the Board of Directors and they shall have sole authority to incur indebtedness and to grant permission to Officers and committees to do so.
- Section 4 It shall be the duty of the Board of Directors to carry out the objects and purposes of this Club as set forth in these By-Laws and in the Articles of Incorporation and to enact any rules and regulations necessary to the operation of the Club.
- Section 5 The Board of Directors shall have the power to employ persons, including a Manager, whose salary, duties and responsibilities shall be determined by the Board of Directors from time to time.

ARTICLE IX INDEMNIFICATION:

- Section 1 Nonderivative Actions: Subject to all of the other provisions of this article, the Club shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding. This includes any civil, criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of the Club). Such indemnification shall apply only to a person who was or is a Director or Officer of the Club, or who was or is serving at the request of the Club as a Director, Officer, partner, trustee, employee, or agent of another foreign or domestic Club, partnership, joint venture, trust or other enterprise, whether for profit or not for profit. The person shall be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to the best interest of the Club or its Members. With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of *nolo contendere* or its equivalent, shall not by itself create a presumption that (a) the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Club or its Members, or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.
- Section2: Derivative Actions: Subject to all of the provisions of this article, the Club shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action or suit by or in the right of the Club to procure a judgment in its favor because (a) the person was or is a Director or Officer of the Club, or (b) the person was or is serving at the request of the Club as a Director, Officer, partner, trustee, employee, or agent of another foreign or domestic Club, partnership, joint venture, trust, or other enterprise, whether or not for profit. The person shall be indemnified and held harmless against expenses (including actual and reasonable



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attorney fees) and amounts paid in settlement incurred by the person in connection with such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Club or its Members. However, indemnification shall not be made for any claim, issue, or matter in which such person has been found liable to the Club unless and only to the extent that the court in which such action or suit was brought has determined on application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

Section 3: Expenses of Successful Defense: To the extent that a person has been successful on the merits, or otherwise in defense of any action, suit, or proceeding referred to in Sections 1 or 2 of this article, or in the defense of any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this article.

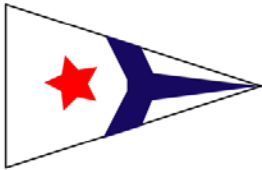
Section 4: Contract Right; Limitation on Indemnity: The right to indemnification conferred in this article shall be a contract right and shall apply to services of a Director or Officer as an employee or agent of the Club as well as in such person's capacity as a Director or Officer. Except as provided in Section 3 of this article, the Club shall have no obligations under this article to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the Board of Directors.

Section 5: Determination that Indemnification is Proper: Any indemnification under Sections 1 or 2 of this article (unless ordered by a court) shall be made by the Club only as authorized in the specific case. The Club must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 or 2, whichever is applicable. Such determination shall be made in any of the following ways:

- (a) By a majority vote of a quorum of the Board of Directors consisting of Directors who were not parties to such action, suit, or proceeding.
- (b) If the quorum described in clause (a) above is not obtainable, then by a committee of Directors who are not parties to the action. The committee shall consist of not less than two disinterested Directors.
- (c) By independent legal counsel in a written opinion.
- (d) By the Members.

Section 6: Proportionate Indemnity: If a person is entitled to indemnification under Sections 1 or 2 of this article for a portion of expenses, including attorney's fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, the Club shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

Section 7: Expense Advance: Expenses incurred in defending a civil or criminal action, suit, or proceeding



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described in Sections 1 or 2 of this article may be paid by the Club in advance of the final disposition of the action, suit, or proceeding on receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the Club. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made but need not be secured.

Section 8: Nonexclusivity of Rights: The indemnification or advancement of expenses provided under this article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Club. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

Section 9: Indemnification of Employees and Agents of the Club: The Club may, to the extent authorized from time to time by the Board of Directors, 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.

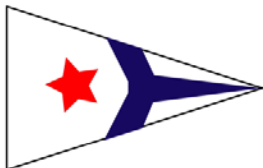
Section 10: Former Directors and Officers: The indemnification provided in this article continues for a person who has ceased to be a Director or Officer and shall inure to the benefit of the heirs, executors, and administrators of that person.

Section 11: Insurance: The Club may purchase and maintain insurance on behalf of any person who (a) was or is a Director, Officer, employee, or agent of the Club, or (b) was or is serving at the request of the Club as a Director, Officer, employee, or agent of another Club, partnership, joint venture, trust, or other enterprise. Such insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Club would have power to indemnify against such liability under this article or the laws of the State of Michigan.

Section 12: 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 to provide before any such change.

ARTICLE X COMPENSATION: When authorized by the Board of Directors, a person shall be reasonably compensated for services rendered to the Club, except as prohibited by these bylaws.

ARTICLE XI EXECUTIVE OFFICERS: The Officers of the Club shall consist of the following:
Commodore
Vice Commodore



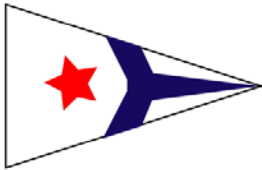
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Fleet Vice Commodore
Rear Commodore
Secretary
Treasurer

ARTICLE XII ELECTION OF OFFICERS: The Executive Officers as specified in Article XI shall be elected from among the Directors. Nominations shall be made by the Nominating Committee, or from the floor. The election shall be by the Members of the Club at the annual meeting. The term of office shall be for one (1) year beginning the 1st day of January following the election.

ARTICLE XIII DUTIES OF OFFICERS:

- Section 1 Commodore:
(a) The Commodore shall be the chief executive officer of the Club and shall preside at all meetings of the Club Members and Directors.
(b) The Commodore shall see that all actions taken by the Board of Directors are executed and shall perform all other duties incident to the office, subject to the right of the Board of Directors or the Commodore to delegate such power and duty to any other Officers of the Club.
(c) The Commodore may call a special meeting of the membership of the Club at the Commodore's pleasure and shall do so upon a written request of five (5%) percent of the voting Members.
(d) The Commodore shall be an ex-officio member of all committees and shall have general supervision over the affairs of the Club, its property and employees.
- Section 2 Vice Commodore: It shall be the duty of the Vice Commodore to assist the Commodore in the discharge of his/her duties, and in the absence of the Commodore, or in case of a vacancy in such office, to act as Commodore.
- Section 3 Fleet Vice Commodore: It shall be the duty of the Fleet Vice Commodore to assist the Commodore and Vice Commodore in the discharge of their duties, oversee the yachting activities of the Club, and in case of absence of or vacancies in the offices of Commodore and Vice Commodore, to act as Commodore.
- Section 4 Rear Commodore: It shall be the duty of the Rear Commodore to assist the Commodore and the Vice Commodores in the discharge of their duties, and in the case of the absence of or vacancies in the offices of Commodore, Vice Commodore, and Fleet Vice Commodore, to act as Commodore. The Rear Commodore shall be in charge of and arrange for the social activities of the Club.
- Section 5 Secretary: It shall be the duty of the Secretary to:
(a) Attend and keep records of the proceedings of all meetings of the Members and Directors of the Club in books provided for that purpose.
(b) Keep a correct roll of all Members, showing their names, addresses, classification and any other necessary or usual information.
(c) File and keep in convenient manner for reference all documents, records, reports and communications connected with the business of the Club.
(d) Send all ballots and notices of meetings, required by these By-Laws.
(e) In case the Secretary is unable to attend any meeting of either the membership or the Directors, the Secretary shall cause the necessary books, reports and papers to be brought to the place of said meeting.
- Section 6 Treasurer: It shall be the duty of the Treasurer to:



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- (a) Collect, receive and have custody of all monies and funds due and/or belonging to the Club and to pay all bills contracted by the club and keep an accurate account of it in the books.
- (b) Submit a report, at each Board of Directors meeting, of all receipts and disbursements and at each general membership meeting, a complete financial statement of the Club's operation.
- (c) Perform such other activities as may be prescribed by the Board of Directors.

ARTICLE XIV STANDING COMMITTEES AND APPOINTIVE OFFICERS: The Commodore shall appoint, subject to the approval, direction and control of the Board of Directors, from the voting membership, the following:

Section 1 Race Committee: The Race Committee shall make arrangements for and take charge of all races and other similar activities held by or under the direction of the authority of the Club. It shall be headed by the Fleet Captain -Racing, who shall report to the Fleet Vice Commodore.

Section 2 Cruise Committee: The Cruise Committee shall make arrangements for and take charge of all cruises and other similar activities held by or under the direction of the authority of the Club. It shall be headed by the Fleet Captain -Cruising, who shall report to the Fleet Vice Commodore.

Section 3 House and Grounds Committee: The House and Grounds Committee shall be charged with the enforcement of the house rules of the Club and shall supervise and control all matters pertaining to the comfort of the Members within the clubhouse. It shall have charge of the Club building and grounds and of the purchase of supplies and shall subject to the direction and approval of the Board of Directors, fix the wages and salaries of the employees in the Club building. This committee shall make a monthly report to the Treasurer covering its financial operation.

Section 4 Social Committee: The Social Committee, which shall include the Rear Commodore, shall have charge of all social activities of the Club.

Section 5 Membership Committee: The Membership Committee shall consist of at least three (3) Members and shall have charge of all matters relating to obtaining, admission and investigation of new Members, and notification of each applicant for membership of his election or rejection and furnish each upon his election to membership with a copy of the By-Laws and membership card, subject to these By-Laws and under the direction of the Board of Directors.

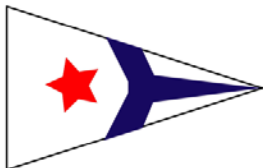
Section 6 Nominating Committee: The Nominating Committee shall consist of at least five (5) members, three (3) of whom shall be Directors and shall make nominations for the Directors and Officers in accordance with these By-Laws.

Section 7 Budget and Finance Committee: The Budget and Finance Committee, which shall include the Treasurer, shall prepare a budget and financial plans for the Club and oversee the financial operation.

Section 8 Pool Committee: The Pool Committee shall have charge of all matters relating to the operation, maintenance, and supervision of the pool and swim team including the establishment of a budget, and the hiring and supervising of lifeguards and swim team coaches.

Section 9 Such other special committees and Officers as the Commodore or Board of Directors may from time to time deem advisable.

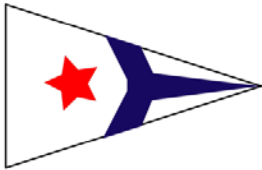
ARTICLE XV MEETINGS:



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- Section 1 General Meetings: There shall be general meetings held on such dates as shall from time to time be designated by the Board of Directors. The annual meeting of the Members shall be in November or December of each year and shall be for the election of Officers, for the annual reports of Officers and committees and such other matters as should properly come before the membership.
- Section 2 Special Meetings: A special meeting of the Members of the Club may be called by the Commodore, a vote of a majority of the Board of Directors, or upon a written request of five (5%) percent of the voting Members in good standing. All calls for special meetings shall specify the time, place and object or objects of the meeting and no business other than that specified in the notice shall be considered at any special meeting.
- Section 3 Notices: The Secretary shall mail notice of all meetings to each voting Member at his or her last known post office address at least ten (10) days prior to the date of such meeting.
- Section 4 Record Dates: The Board of Directors may fix in advance a record date for the purpose of determining Members entitled to notice of and to vote at a membership meeting or at an adjournment of the meeting, or to express consent to or to dissent from a proposal without a meeting, or for the purpose of any other action. The date fixed shall not be more than 60 days nor less than 10 days before the date of the meeting, nor more than 60 days before any other action.
- Section 5 List of Members: The Secretary or the agent of the corporation having charge of the membership records of the Club shall make and certify a complete list of the Members entitled to vote at a membership meeting or any adjournment. The list shall be arranged alphabetically with the address of each Member, be produced at the time and place of the membership meeting, be subject to inspection by any Members during the whole time of the meeting, and be *prima facie* evidence of the Members entitled to examine the list or vote at the meeting.
- Section 6 Quorum: Unless a greater or lesser quorum is required by statute, Members present in person or by proxy who, as of the record date, represented ten (10%) percent of the Members entitled to vote at a membership meeting shall constitute a quorum at the meeting. Whether or not a quorum is present, the meeting may be adjourned by the vote of the Members present.
- Section 7 Proxies: A Member entitled to vote at a Membership meeting or to express consent or dissent without a meeting may authorize other persons to act for the Member by proxy. A proxy shall be signed by the Member or the Member's authorized agent or representative and shall not be valid after the expiration of three (3) months unless otherwise provided in the proxy. A proxy is revocable at the pleasure of the Member executing it except as otherwise provided by statute.
- Section 8 Voting: Each Member is entitled to one vote on each matter submitted to a vote. A vote may be cast either orally or in writing. When an action, other than the election of Directors, is to be taken by a vote of the Members, it shall be authorized by a majority of the votes cast by the Members entitled to vote, unless a greater vote is required by statute. Directors shall be elected by a plurality of votes cast at any election.
- Section 9 Meeting by Telephone or Similar Equipment: A Member may participate in a membership meeting by conference telephone or any similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.



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ARTICLE XVI ORDER OF BUSINESS: Unless otherwise changed by a majority vote, the order of business at every meeting of the Members and Board of Directors shall be:

- (1) Roll call of Officers and Directors
- (2) Reading of minutes of previous meeting
- (3) Reports of Officers
- (4) Reports of Committees
- (5) Communications
- (6) Business matters to come before the Club
- (7) Election of Officers and Directors (annual meeting only)
- (8) Adjournment

ARTICLE XVII DUES, FEES AND ASSESSMENTS:

- Section 1 The annual dues shall be established by the Board of Directors from time to time.
- Section 2 The Board of Directors shall establish the initiation fee and the membership equity fee.
- Section 3 All annual dues shall be due on the 1st day of January and payable within thirty (30) days. At the option of the Board of Directors, the annual dues may be billed on some other basis, such as semi-annually. Members whose dues have not been timely paid will be notified in writing. Such Member whose dues have not been paid within thirty (30) days after said notice shall be deemed to have resigned and Article V shall apply.
- Section 4 Special assessments may be levied only at a general meeting with a vote (or approval in writing) of at least twenty-five (25%) percent of the voting Members and after two (2) weeks advance notice of such proposed assessment has been given.
- Section 5 Any other indebtedness incurred during a month must be paid by the 10th of the following month and will be considered delinquent by the 10th of the second month. Privileges for such Members may be suspended by action of the House and Grounds Committee.

ARTICLE XVIII FISCAL YEAR: The fiscal year of the club shall begin on the 1st day of January and end on the 31st day of December of each year.

ARTICLE XIX AMENDMENTS: These By-Laws may be amended by an affirmative vote (or consent in writing) of the majority of those voting Members then in good standing, provided that at least twenty (20%) percent of such eligible Members vote, and provided that any such amendment has been submitted to each voting Member in writing at least two (2) weeks prior to the balloting.