

## By-Laws of The Lorain Harbor Boat Club

## I. Name and Governance

- A. The name of the Club shall be The Lorain Sailing and Yacht Club, Inc., herein hereafter referred to as “the Club.”
- B. The Club shall be incorporated as a non-profit corporation in the State of Ohio, and shall be governed by these By-Laws, subject to Federal, State, and local laws and regulations relating to this type of corporation, and to provisions of the Club’s lease with the Port Authority, City of Lorain, Ohio.
- C. Further, the Club shall maintain status as a 501(c)(7) organization with the Internal Revenue Service.
- D. The management of the Club shall be vested in a Board of Trustees, elected by the membership of the Club as described herein, and shall be herein hereafter referred to as “the Board.”
- E. No part of these By-Laws may be suspended except as provided in section XV, and temporary provisions described in a merger agreement approved by membership vote. However, these By-Laws may be amended according to section XVIII.

## II. Purpose

- A. The primary purpose of the Club shall be the promotion and encouragement of recreational boating within the Lorain Harbor, the Black River, and Lake Erie.
- B. The Club shall endeavor to provide organized group boating activities such as, but not limited to cruising, racing, and fishing tournaments, and opportunities for boating education.
- C. The Club shall maintain facilities that promote formal and informal camaraderie among members, including but not limited to provision of a members bar, and dockage, dry-sail space, and winter boat storage for members.

## III. Membership

- A. Membership in the Club shall be made available to any individual over the age of eighteen, without discrimination on account of sex, race, creed, religion, color, national origin, or sexual orientation, who has interest in boating and related activities.
- B. Membership application shall be made in writing using a form approved by the Board, along with initial dues for the appropriate membership class. The prospective member shall be granted provisional membership on receipt of the membership application and initial dues, pending review and acceptance by the Board at the next scheduled Board meeting.

- C. "Member in good standing" means a member with current dues paid in full, and no past due financial obligations to the Club. The Board may establish grace periods for financial obligations not defined herein. Member rights and privileges described herein shall be suspended for any member who fails to remain in good standing, until such time as they are again in good standing.
- D. Membership shall consist of four classes: Active, Associate, Social, and Lifetime.
1. Active Membership is extended to individuals. Active members shall have:
    - a) the right to vote in membership meetings, except as noted in III.D.5.
    - b) the right to attend regular, scheduled Board meetings.
    - c) the eligibility to be elected to the Board or Club Officer, except as noted in III.D.5.
    - d) the right to lease dockage, dry-sail space, and winter storage from the Club in accordance with the dock allocation policy and rates set by the Board.
    - e) the benefits specific to the Club's affiliation with ILYA, US Sailing, and other organizations the Club may be affiliated with.
    - f) the use of Club facilities as provided in rules and policies set by the Board of Trustees, including the right to rent Club facilities for occasional non-Club events.
    - g) the right to name one, and only one individual over the age of 18 as an Associate member, as described in section III.C.2. Not exercising this right shall not result in a reduction in dues.
    - h) the right to bring a reasonable number of guests into the Club and to Club events that are not explicitly members-only.
  2. Associate Membership is intended to allow the Active or Lifetime member's spouse/ domestic partner access to Club facilities and services without being a guest of the Active/Lifetime member. The Active/Lifetime member may select or change their Associate member only at the times of membership application and annual renewal. Associate members:
    - a) must be over the age of 18.
    - b) may be a person other than the Active member's spouse/domestic partner. However, if the Active member's spouse/domestic partner is not named as the Active member's Associate member, then the Active member's spouse/domestic partner shall be considered a member of the Club only to the extent assumed by IRS guidelines, and shall otherwise be governed by Club rules for Guests, unless he/she obtains his/her own Club membership.

- c) shall assume the Active membership in the event of death of the Active member, for the remainder of the current dues period, and may become an Active or Social member at the next annual dues period without paying any initiation fees in effect at that time. A Lifetime member's Associate member shall continue as an Associate member in the event of the Lifetime members death for the remainder of the dues period, and may become an Active or Social member at the next dues period without paying any initiation fees in effect at that time.
  - d) If an Associate member's Active or Lifetime member ceases to be a member of the Club for any reason other death of the Active or Lifetime member, the Associate member's membership in the Club is also terminated.
  - e) shall have the right to use Club facilities as provided in rules and policies set by the Board.
  - f) shall have the right to bring a reasonable number of guests into the Club and to Club events that are not explicitly members-only.
  - g) shall have the right to rent Club facilities for occasional non-Club events as provided in rules and policies set by the Board.
  - h) shall not have the right to vote in member meetings.
  - i) shall not be eligible to serve on the Board.
  - j) shall not be eligible to lease dockage, dry-sail space, or winter storage from the Club.
  - k) shall not have the benefits specific to the Club's affiliation with the Inter-Lake Yachting Association, US Sailing, or other organizations the Club is affiliated with.
3. Social membership is extended to individuals. Social members:
- a) shall have the right to use Club facilities as provided in rules and policies set by the Board.
  - b) shall have the right to bring a reasonable number of guests into the Club and to Club events that are not explicitly members-only.
  - c) shall not have the right to rent Club facilities for non-Club events.
  - d) shall not have the right to vote in member meetings.
  - e) shall not be eligible to serve on the Board.
  - f) shall not be eligible to lease dockage, dry-sail space, or winter storage from the Club.
  - g) shall not have the benefits specific to the Club's affiliation with the Inter-Lake Yachting Association, US Sailing, or other organizations the Club is affiliated with.

4. Lifetime Membership shall be limited to those individuals that have been granted Lifetime membership prior to April 1, 2019. Lifetime members shall be exempt from annual membership dues and initiation fees, but not from dock, dry-sail, or winter storage fees, nor from any capital assessment fees that may be in effect. Lifetime members shall have:
  - a) the right to vote in membership meetings, except as noted in III.D.5.
  - b) the right to attend regular, scheduled Board meetings.
  - c) the eligibility to be elected to the Board, except as noted in III.D.5.
  - d) the right to lease dockage, dry-sail space and winter storage from the Club in accordance with the dock allocation policy and rates set by the Board.
  - e) the benefits of the Club's affiliation with ILYA, US Sailing and other organizations the Club may be affiliated with.
  - f) the use of Club facilities as provided in rules and policies set by the Board of Trustees, including the right to rent Club facilities for occasional non-Club events.
  - g) the right to name one, and only one individual over the age of 18 as an Associate member, as described in III.C.2.
  - h) the right to bring a reasonable number of guests into the Club and to Club events that are not explicitly members-only.
5. Employees, long-term subcontractors, and sublease holders of the Club (other than the rental of docks, dry-sail space, and winter storage), and members of their households, regardless of Club membership status, shall not be eligible to serve as a Club officer or on the Board, and shall recuse themselves from any matter voted on by the membership that impacts their employment, contract, or sub-lease.

#### E. Seniority

1. A seniority system shall be used for the allocation of limited Club resources including, but not limited to assignment of dock, dry-sail, and winter storage space.
  - a) Seniority shall be based on the most recent period of continuous Active and/or Lifetime membership, with the equivalent of one extra year for each full term of service on the Board during the most recent continuous period of Active and/or Lifetime membership.
  - b) Social membership does not accumulate seniority.

#### F. Guests

1. The Club member must be present while his/her Guests are on Club grounds or at a Club function held off-site.

2. The Club member is responsible for the behavior of his/her Guests.
3. Children and other dependents of a member are members of the Club only to the extent assumed by IRS guidelines, and shall otherwise be governed by Club rules for Guests, unless they have their own membership.
4. The Board of Trustees shall maintain rules and policies regarding Guests to ensure that the use of Club facilities by guests complies with IRS guidelines for bonafide guests.

#### G. Membership Dues

1. The Board shall set annual member dues for the following year by October 1 of the current year. The Board may set initiation fees for new members. Initiation fees shall not be retroactive for current members.
2. The Board may set capital assessment dues for the purpose of funding capital improvements only if approved by a two-thirds majority of members attending a properly scheduled membership meeting called for that purpose.

#### H. Removal from Membership Rolls

1. Non-payment of dues: Membership dues shall be due on January 1 for the coming year. After March 1, members who have not paid dues shall be dropped from the membership rolls and shall forfeit all rights associated with their membership. Reinstatement within the current year shall require payment of dues plus a penalty equal to 35% of the past due membership dues. If not re-instated in the current year, the former member may re-apply for membership in a future year but shall be considered a new member for purpose of seniority and any initiation fees that may apply.
2. As the result of the Grievance procedure (section XVI) or as the result of other investigation, the Board may suspend or permanently revoke membership for cause, including but not limited to:
  - a) failure to accept financial responsibility for damage to club property caused by the member or member's guests.
  - b) failure to accept financial responsibility for fines or legal action against the Club caused by a member's, or member's guest's actions.
  - c) engaging in illegal behavior on Club grounds or at Club Functions.
  - d) harassment of other members, guests, or employees of the club.
  - e) misappropriation of club funds.
  - f) repeated or serious violation of Club By-Laws, rules or policies.
  - g) breach of confidentiality of Board Executive Session discussions.
  - h) other significantly serious reasons that cause harm to the Club.

3. A super-majority (two-thirds) of the Board members attending a scheduled Board meeting shall be required to revoke a person's membership in the Club for reasons other than non-payment of dues or other financial obligations to the Club.

#### IV. Membership Meetings

- A. There shall be at least one general membership meeting per year, held in the month of October for the purpose of electing officers and Board members, hereafter referred to as the annual meeting. Other business may be conducted at this meeting if properly included on the meeting notice.
- B. Other membership meetings may be called by the Board as needed.
- C. The Board shall call a special membership meeting if petitioned by 20% of the Active and Lifetime members. Such petition shall contain the specific motion or other action to be taken at the membership meeting, and shall be submitted to the Commodore or Secretary.
- D. The Board of Trustees shall notify all Active and Lifetime members at least 14 days in advance of a membership meeting, unless otherwise specified herein. The notification shall include the specific agenda, the wording of any motions or amendments to these By-Laws, and if Board members or Officers are to be elected, the names of those members nominated to these positions. Notification may be by conventional mail or email.
- E. Only such business as included on the notice of the meeting shall be conducted.
- F. General meetings may be scheduled in conjunction with Board of Trustee meetings, provided appropriate notice is given.
- G. A quorum at a membership meeting shall be the number of Active and Lifetime members attending the properly-scheduled membership meeting. A simple majority of members attending the meeting shall be required to pass motions, except as specified otherwise herein.
- H. Only Active and Lifetime members present at a membership meeting shall be allowed to vote. The Commodore, or officer leading the meeting in the Commodore's absence, shall not vote except to break a tie. Absentee ballots or voting by proxy shall not be permitted.

#### V. Board of Trustees and Officers

- A. Officers of the Club
  1. The Officers of the Club shall be:
    - a) Commodore (who shall serve as President of the Corporation)
    - b) Vice-Commodore (who shall serve as the First Vice-President of the Corporation)

- c) Rear-Commodore (who shall serve as the Second Vice-President of the Corporation)
  - d) Treasurer
  - e) Secretary
2. Duties of Club Officers
- a) The duties of the club officers shall be those normally associated with these titles.
  - b) The Board shall establish rules, policies and/or job descriptions to additionally describe the duties, responsibilities, conduct, and powers of the Club Officers, consistent with these By-Laws.
3. Privileges of Club Officers
- a) Club Officers shall have the right to fly the burgee and to wear the insignia traditionally associated with Flag Officers of Boating and Yacht Clubs.
- B. The Board of Trustees shall be the the Commodore, Vice-Commodore, Rear-Commodore and seven additional Board members for a total of ten. The Secretary and Treasurer shall be selected by the Board from within the members of the Board.
- C. Board of Trustees Powers and Duties
- 1. The Board of Trustees shall be the governing body of this Club and shall have the complete and total control over the management of the Club's business, funds, and property, subject to the limitations of the Federal, State, and Local laws, regulations, or code, and subject to the limitations in these By-Laws.
  - 2. The Board may hire employees, who serve at the pleasure of the Board. The Board shall develop and maintain job descriptions for any employees hired. If the nature of the position necessitates, the Board may require the employee to attend Board meetings and/or membership meetings, but shall not grant the employee the right to vote either at Board meetings or at membership meetings.
  - 3. Contracts shall be signed by two Officers, one of which shall be the Commodore or Vice-Commodore. However, no Officer shall sign a contract until it has been approved by the Board.
  - 4. The Board shall create and maintain Rules and Policies to regulate the day-to-day operation of the Club, including but not limited to:
    - a) the leasing of dockage, dry-sail space, and winter storage to members.
    - b) the rental of transient dock space to members and non-members.
    - c) hours of operation for the Clubhouse.
    - d) ground Rules and Code of Conduct.
    - e) job descriptions for Officers, Employees, and Committees.

- f) guidelines and procedures for expense reimbursement.
  - g) clubhouse rental by members for non-club functions.
  - h) operating procedures and qualification requirements for critical pieces of Club equipment.
5. The Board shall not knowingly take any action that jeopardizes the Club's status as a non-profit corporation, or 501(c)(7) organization. If through inadvertent action or inaction the Club loses its non-profit status, the Board shall make every reasonable effort to have non-profit status reinstated.

#### VI. Election of Officers and Board of Trustees

- A. Election of the Rear-Commodore and Board members shall take place at the annual membership meeting scheduled in the month of October.
- B. Candidates for the Office of Rear-Commodore and open Board positions will be selected by the Nominating Committee as described in section IX.A.1. Candidates may also be nominated by a membership petition signed by 20% of the current Active and Lifetime members. Such petition must be submitted to the Commodore no less than 21 days before the annual membership meeting scheduled for this election. Nominations shall not be accepted from the floor.
  - 1. Only Active or Lifetime members in good standing may be nominated for Rear-Commodore or Board positions.
  - 2. Nominees for Board positions must have been an Active or Lifetime member for at least one year prior to nomination.
  - 3. Nominees for the office of Rear-Commodore must either be on the current Board or have served a full term on the Board in the past.
- C. Election of the new Rear-Commodore shall be done prior to the election of other new Board members.
  - 1. Nominees for Rear-Commodore who are not currently on the Board, or whose term on the Board is expiring and are eligible for another term, who are not elected to Rear-Commodore shall be automatically considered nominees for any open Board positions.
  - 2. A majority vote of members present at the annual meeting is required for election of the Rear-Commodore. If no candidate receives a majority, a second vote shall be conducted between the two candidates receiving the highest number of votes.
- D. Election of Board Members
  - 1. Each Active or Lifetime member attending the annual meeting shall be entitled to vote once for each open Board position, but not more than once for each candidate to the board.

2. If any of the open Board positions are for partial terms, the full-term positions shall be awarded to the candidates receiving the higher votes.
  3. In the event of a tie for the last open Board position, or the last full term Board position, a second vote shall be conducted for only the tied candidates.
- E. Immediately upon adjournment of the annual meeting:
1. the former Commodore is relieved of duty.
  2. the former Vice-Commodore becomes the Commodore.
  3. the former Rear-Commodore becomes the Vice-Commodore, and the newly-elected Rear-Commodore assumes the office.
  4. board members whose terms have expired are relieved of duty, and the newly-elected Board members assume their duties.
  5. the new Board shall convene for the purpose of appointing the offices of Secretary and Treasurer from within the members of the Board. Upon appointment of the new Secretary and Treasurer, the former Secretary and Treasurer are relieved of duty, except that the former Secretary shall submit the minutes from the annual membership meeting.
- F. Officer and Board Member Terms of Office
1. Officers shall have term of office of one year, beginning and ending at the annual membership meeting. No officer shall serve more than two consecutive terms in the same office. No individual shall hold more than one office at a time; however, the Commodore may appoint another officer or Board member to temporarily act as Secretary at a member or Board meeting where the Secretary is absent.
  2. Board members shall have a normal term of three years. However, if required to preserve staggered terms for Board positions, the Board shall determine that certain open Board positions be elected for a shorter term.
  3. No Board member shall serve more than two consecutive terms, including time as a Club Officer, except:
    - a) if a member is appointed or elected to a Board position for less than half the normal term, that term shall not apply to the two consecutive term limit.
    - b) if a member is elected to Rear-Commodore while serving a second consecutive Board term, the Rear-Commodore shall be permitted to complete the normal succession to Vice-Commodore and Commodore.
    - c) if there are no otherwise-qualified candidates, the Board may waive the term-limit requirement on a case-by-case basis.
- G. Vacancy in Officer or Board positions

1. If the office of Commodore becomes vacant, the Vice-Commodore shall become the Commodore.
  2. If the office of Vice-Commodore becomes vacant, the Rear-Commodore shall become the Vice-Commodore.
  3. If the office of Rear-Commodore becomes vacant, the Board shall call a special membership meeting to elect a new Rear-Commodore within 30 days of the vacancy.
  4. If the vacancies and replacements described in V.G.1-3 occur more than half way through the normal term, the Board may submit a motion to ratify this new set of officers for a full term at the next annual membership meeting, and if approved by the membership, shall replace the normal method for electing the Rear-Commodore described above.
  5. If any other Board position becomes vacant mid-term, the remaining Board of Trustees shall appoint a qualified Active or Lifetime member to serve until the next annual meeting.
  6. If the office of Secretary or Treasurer becomes vacant mid-term, the remaining Board shall first fill the open Board position as in VI.G.5 and then shall fill the vacant office from within the Board.
- H. Removal of Officer and Board Members from Office
1. Failure to remain an Active member in good standing shall result in removal from the position.
  2. Failure to attend three or more scheduled Board meetings per year shall be considered as a resignation, and the position is vacated.
    - a) In the event of extenuating circumstances, a majority vote of the remaining Board may waive this requirement, on a case-by-case basis.
  3. A super-majority (two-thirds) of the Board (not counting the member affected) may remove any Board member or Club Officer for:
    - a) non-performance of duties.
    - b) disregard for the Club's By-Laws, rules, and/or policies.
    - c) misappropriation of Club funds.
    - d) abuse of emergency spending powers.
    - e) breach of confidentiality of Executive Session discussions.
    - f) other serious and sufficient reasons that would be significantly detrimental to the Club.
  4. Members may petition for a membership meeting in accordance with section IV.C to remove any Officer or Board member for the reasons listed above. A super-majority

(two-thirds) of members attending a meeting called for this purpose shall be required to remove an Officer or Trustee from the Board.

#### VII. Board of Trustee Meetings

- A. The Board of Trustees shall meet at least monthly, at a time and place agreed on by the Board. Normal Board meetings should be on a regular, recurring schedule, but may be rescheduled by a super-majority (two-thirds) vote of the Board.
- B. The Board may schedule additional meetings as needed. A scheduled Board meeting will be a meeting scheduled at a Board meeting to be held at a time and place agreed on by two-thirds of the Board members present.
- C. Scheduled Board of Trustee meetings shall be open to all members, except when the Board is in Executive Session as defined in section VII.H. Active and Lifetime members who are not on the Board shall have voice but not vote at Board meetings. Guests are not permitted to attend Board meetings unless invited by the Board or Commodore to speak on an agenda topic.
- D. The Quorum for scheduled Board Meetings shall be a simple majority of filled Board positions.
- E. A simple majority of Board members present is required to pass a motion or resolution at a scheduled Board meeting, except as otherwise specified herein. The Commodore, or other Officer leading the meeting in the Commodore's absence, shall not vote except to break a tie.
- F. The Commodore (or other Officer leading the Board meeting) shall honor a request by any Board member for a roll-call vote on any motion, resolution, or other matter put to a vote by the Board. For a roll-call vote, the Secretary shall call the roll and record each Board member's vote as yes, no, abstain, or absent.
- G. Emergency meetings of the Board may be called by the Commodore (or Vice-Commodore in the Commodore's absence or incapacity), as needed, for dealing with specific issues that cannot wait until the next scheduled Board meeting, such as when physical property is in danger. The Commodore (or Vice-Commodore in the Commodore's absence or incapacity) shall call an emergency meeting of the Board if requested by any two Board members.
  - 1. Emergency Board meetings may be physical, in-person meetings, or by phone or email, or a combination thereof.
  - 2. The Board shall not be obligated to give advance notice to the general membership prior to emergency Board meetings. However, the Board shall review any emergency meetings and actions in the next scheduled Board meeting.

3. A reasonable effort must be made to contact all Board Members. The reason for the emergency meeting must be communicated.
  4. Instead of a quorum, a majority of the filled board positions shall be required to take action in an emergency Board meeting (6 yes votes when there are 10 members of the Board) except as in VIII.G.1. The Commodore's vote may be counted in achieving the minimum affirmative votes required.
  5. Only the specific emergency issue(s) shall be discussed or acted upon in an emergency board meeting.
  6. When email or phone voting is used:
    - a) the reason for the vote, and the impact of any associated expense, must be communicated.
    - b) the Commodore (or Vice-Commodore acting as Commodore) shall keep a log of how/when each Board member was contacted, and their response; this log shall be presented at the next scheduled Board meeting.
  7. A summary of discussion, and voting results on any motions or actions, including the log of phone or email voting shall be given to the Secretary for inclusion in the minutes of the next scheduled Board meeting.
- H. Executive session shall be used for confidential discussion only. No voting shall be done nor action taken during Executive Session other than appointing individuals to gather additional information, the wording of a motions to be voted on in open session, or the decision to disclose specific aspects of the discussion to specific individuals or the general membership on a case-by-case basis. The decision to disclose Executive Session discussions shall require the assent of two-thirds of the Board Members present at the Executive session.
1. While in Executive Session, only current members of the Board and specific individuals requested by the Board may be in attendance.
  2. Executive Session shall only be called for the discussion of the following:
    - a) investigation of allegations of misconduct by members, employees, or guests.
    - b) hearing and deliberating reports from the Grievance Committee.
    - c) determination of appropriate discipline for employees or members.
    - d) appointment or dismissal of members to Board or Committee positions.
    - e) employee compensation and terms.
    - f) actual or potential legal action by or against the Club.
    - g) conferences with an attorney that are to be kept under attorney-client privilege.
    - h) matters that are to be kept confidential by Federal, State, or local law(s), statutes(s), or rule(s).

- i) details of security arrangements, where disclosure of matters discussed may undermine the security arrangements.
    - j) Other cases of similar seriousness, where confidentiality is desired must be approved by a two-thirds majority of the Board on a case-by-case basis.
  3. Only the specific matter(s) for which the Executive Session was called shall be discussed while in Executive Session.
  4. Discussion in Executive Session shall be confidential unless the Board has explicitly decided to disclose the discussion. Failure to maintain confidentiality may result in discipline, which may include removal from the Board, or suspension or revocation of Club membership.
  5. As much as possible, Executive Session should not be scheduled at the end of a scheduled Board meeting, unless it is clear that no action on the issues will be needed prior to the next scheduled Board meeting.
- I. The Secretary shall keep minutes at all Board meetings. The Commodore shall appoint another Board member to act as Secretary for a meeting where the Secretary is absent. The Secretary shall make the draft minutes available to all Board members for comment not less than one week prior to the next regular scheduled meeting.
  1. The minutes shall include:
    - a) the date and time of meeting.
    - b) the attendance of Board members, other members, and guests.
    - c) summary of discussions. (However, discussion during Executive Session shall not be published in the meeting minutes. Minutes should indicate only that Executive Session was used, and a generic description of the reason.)
    - d) motions/resolutions made and voting results.
    - e) record of dissent to a motion or other action by the Board, when so requested by a Board member. A Board member may request his/her dissent to a Board action be recorded in the minutes at any point prior to the approval of the minutes at the next scheduled Board meeting.
    - f) task assignments.
  2. Approved minutes from Board meetings shall be made available to any Active or Lifetime member on request.

#### VIII. Financial Controls

- A. The Club shall not extend credit to members except:
  1. if initiation fees for new members are in effect, the Board may authorize a payment plan.

2. the Board may authorize payment plans for dock, dry-sail space and winter storage contracts.
- B. The Board may create rules and policies for pre-paid accounts a member may draw against for incidental expenses. Any such accounts shall be kept separate from the Club's operating and reserved funds.
  - C. All expenditure of Club funds must be approved by the Board, except emergency spending authorized in VIII.G.1, which must be reviewed by the Board.
  - D. The Board shall prepare a detailed budget and may authorize specific persons to spend up to the budgeted amount for a given category.
    - a) Such budget shall be detailed by month. Spending authorized against the budget category shall not exceed the current month, or the year-to-date budgeted amount without additional explicit approval of the Board.
    - b) The Board may revise budgeted spending amounts, as needed, to respond to unanticipated changes in revenue or expenses. Any such budget revision shall govern spending for the remainder of the budget cycle. The Board may revoke authorization for spending against any budget category at any time.
  - E. All expenses incurred by members for Club purposes, intended for reimbursement by the Club, must be submitted on an expense report. The Board shall maintain rules and policies governing the reimbursement of Club expenses incurred by members.
  - F. The Board shall not authorize spending exceeding 12% of the current annual Budget for any new budget item or category, or for any un-budgeted item or project without obtaining membership approval at a membership meeting called for this purpose, except as authorized as emergency spending in VIII.G. This spending limit applies to any individual new expense, or any new project or program that can reasonably be expected to exceed this spending limit.
  - G. Emergency Spending
    1. Any two Officers may authorize emergency spending in a bonafide emergency where immediate action is required to stabilize the situation and prevent further damage or liability. Only the funds needed to stabilize the situation until an emergency meeting of the Board can be convened are authorized under this section. The Board shall review any emergency spending at its next scheduled meeting.
    2. The Board may create and maintain an emergency fund, held separate from the Club's operating funds, that is to be used only for emergency repair of physical facilities. Spending from the emergency fund shall not be capped, provided the

spending is for repair, and not improvement of physical facilities, and does not exceed the amount in the emergency fund.

#### H. Financial Audit Committee

1. The Board shall appoint and maintain a standing Audit Committee consisting of three to five Active or Lifetime members with appropriate knowledge and skills. The current or previous Treasurer shall not be a member of the standing Audit Committee, but shall cooperate fully with the Audit Committee. Current Board members, including Officers other than the Treasurer, may serve on the Audit Committee, but Board members shall not chair or make up a majority of the Audit Committee. The Board may appoint any member or non-member to a non-voting advisory position on the Audit Committee. The Audit Committee shall:
  - a) audit the Club's financial records not less than once per year, which should include each time a Treasurer is elected or re-elected.
  - b) audit the Club's financial records at other times as directed by the Board.
  - c) investigate any alleged or perceived irregularity in the Club's financial records when requested by any five Active or Lifetime members, the Commodore, or any two Board members.
  - d) report the results of its audits or investigations to the Board in open session.

- I. The Club's Financial statements, tax returns, records of accounts, and books shall be made available to any member on request, for any reasonable purpose and within a reasonable time.

#### IX. Committees:

- A. In addition to the Audit Committee described in section VIII.H, the Board shall appoint a Nominating Committee and a Grievance Committee as described below.

1. Nominating Committee:

- a) The Nominating Committee shall be composed of at least three, but not more than five Active or Lifetime members. At least two members of the Nominating Committee shall be non-Board members.
- b) The Nominating Committee shall identify and recommend Active and/or Lifetime members for nomination to the Board and the office of Rear-Commodore.
- c) The Nominating Committee shall submit its listing of nominees at the September Board meeting. The number of nominees should be greater than the number of positions to be filled at the October membership meeting.

2. Grievance Committee:

- a) The Board shall appoint at least two, but not more than three Active or Lifetime members to serve on the Grievance Committee. At least two Grievance

Committee members must be non-Board Members. Current Officers of the Club shall not serve on the Grievance Committee. The Board may appoint any member to a non-voting advisory position on the Grievance Committee.

b) The Grievance Committee shall perform the duties described in section XVI.

B. Other Standing or Ad Hoc Committees

1. The Board may create other Standing Committees to further the purpose of the Club, including but not limited to Racing, Education, Cruising, Membership, House and Grounds, etc. The creation of a Standing Committee shall be considered permanent until the Board determines the need for the committee no longer exists.
2. The Board or Commodore may create Ad Hoc committees for any specific event or project that will exist only until the event or project is completed.
3. The Board may allow members other than Active or Lifetime members to serve on committees not otherwise restricted herein.

C. Committee Chair Titles

1. The Board may grant and revoke the right to use titles traditionally associated with Boating and Yacht Clubs, including, but not limited to, Fleet Captain(s), Race Committee Chair, Sergeant at Arms, and Fleet Surgeon, to committee chairs or other members.
2. Members granted these titles may fly the burgee and wear the insignia traditionally associated with such title.

X. Indemnification of Trustees, Officers, Volunteers, and Employees

- A. Each Trustee, Officer, Director, Agent, Employee, or Volunteer of the Club shall be indemnified by the Club under the standards set by and to the fullest extent allowable under Section 1702.12 (E) of the Ohio Revised Code as the same shall be amended from time to time. The foregoing right of indemnification shall be in addition to any rights to which any person seeking indemnification may be or become entitled by law, vote of the Members or disinterested Trustees of this Club, or otherwise.
- B. In addition to any insurance required by any lease or loan requirements the Club is subject to, the Board shall obtain and maintain reasonable and prudent levels of insurance to effectively supply the indemnification required in this section.

XI. Docks, Dry-Sail, and Winter Storage

- A. The board shall establish rules and policies for the assignment of docks, dry-sail space, and winter storage, consistent with this article.
- B. Only Active and Lifetime members in good standing may contract docks, dry-sail space, or winter storage from the Club, and only for watercraft for which they are the

full or joint owner. The Board shall determine rules and policies for the use of docks and dry-sail space by non-members on a transient basis.

- C. Contracts for docks, dry-sail, and winter storage shall be for the season. For dock and dry-sail contracts made after July 1, the Board may set a prorated fee.
- D. A member with a current dock or dry-sail contract shall have the right to contract that same dock or dry-sail space for the next season until November 1, except:
  - 1. A member with a watercraft assigned to a dock or dry-sail space larger than necessary for that watercraft, may be required to accept a smaller available dock or dry-sail space if another member has applied for dock or dry-sail space for their first watercraft to be docked or dry-sailed at the Club and there are no available dock or dry-sail spaces of the minimum size required.
    - a) The dock assignment process shall give priority to the member required to move to a smaller dock.
    - b) No member shall be required to accept a different dock assignment during the current season, except on a temporary basis for repairs or construction work.
- E. Docks or dry-sail space not contracted by November 1 shall be made available to other Active or Lifetime members.
  - 1. Seniority as described in section III.E shall be used for this process.
  - 2. This process shall be completed annually between January 2 and March 1 for each upcoming season.
  - 3. If any Active or Lifetime member seeks a new contract for a second watercraft, the process shall ensure that members seeking a new contract for their first watercraft are awarded contracts before any member may enter a new contract for a second watercraft.
  - 4. After completion of the annual dock assignment process, open docks and dry-sail space shall be available to Active and Lifetime members on a first-come, first-served basis.
- F. If a watercraft docked or dry-sailed at the Club is sold by a member to another Active or Lifetime member, the new owner may keep the current dock through the remainder of the season, and shall be entitled to contract the same dock for the next season as described above, unless otherwise agreed in the terms of sale. If the watercraft is sold to a non-member, the new owner shall either apply for Active membership within 7 days, or remove the watercraft from Club premises within 7 days, except in exceptional cases approved by the Board.
- G. Active and Lifetime members may utilize open docks for watercraft wholly or partially owned by the member but not regularly docked at the Club for day use on an

occasional basis free of charge. Overnight use of open docks shall require a transient dockage fee, unless the vessel is being used to support a Club-sanctioned event. The Board shall create and maintain additional rules and policies for this use as necessary.

#### XII. Non-Profit

- A. All officers of the Club and other members of the Board of Trustees shall serve on a volunteer basis, without salary or financial reimbursement.
- B. No gain or profit from the Club shall inure to the benefit of any member of the Board of Trustees, or to any Officer of the Club, or to any member of the club, except in those cases where a specific contract for specific services to be paid for by the club to a specific member is made. A competitive bid process including potential non-member service providers, or other suitable method to determine market price must be followed.
- C. Upon termination or dissolution of the Club,
  - 1. Assets leased from the Lorain Port Authority shall be returned to the Lorain Port Authority according to the terms of the lease.
  - 2. Any remaining assets shall be sold by the Board, and proceeds used to pay off any outstanding obligations of the Club. Any remaining assets or funds will be divided equally among the remaining Active and Lifetime members in good standing at time of the Club's dissolution.

#### XIII. Property

- A. All personal property brought onto Club grounds is at the owner's risk.
- B. No person shall take from the Club any article belonging to the Club without the permission of the Commodore or Vice-Commodore.
- C. All damage to Club property caused by a member or a member's guest shall be paid for by the member.
- D. All acts of destruction or vandalism shall be reported to the local Law Enforcement, and the resulting report shall be retained on file by the Secretary.

#### XIV. Associations

- A. The Club shall maintain an association with the Inter-Lake Yachting Association and with US Sailing.
- B. The Club may establish and maintain an association with other international, national, or regional organizations that promote boating.
- C. The Board may authorize the use of Club facilities including dockage, dry-sail space, winter storage, and the Clubhouse by other organizations.

#### XV. Priority of Federal, State, and Local laws, regulations and ordinances

- A. In the event that these By-Laws are found to be at variance with any Federal, State or local law, regulation, or ordinance governing this type of organization, the Federal, State or local law, regulation, or ordinance shall prevail.
- B. Further, the Board shall endeavor to bring these By-Laws into compliance with the law, regulation, or ordinance as soon as practical, following the procedures in Section XVIII.

#### XVI. Grievances

- A. A grievance may be filed by any member against another member or against the Board for non-compliance with the Club's By-Laws, rules or policies.
- B. A grievance shall be filed only after personal diplomacy has failed to resolve the issue.
- C. Grievances must be filed in writing to the Grievance Committee or to the Secretary within 30 days of the incident prompting the grievance, using a form approved by the Board. The grievance must indicate the specific paragraph of the Club's By-Laws, rules, or policies that have been violated.
- D. Upon receiving the grievance, the Grievance Committee shall convene as soon as practical and shall investigate the facts as presented by both the person from whom the grievance was received and the person(s) to whom the grievance is directed, as well as any other source of information relevant to the grievance, and shall attempt to resolve the situation.
- E. If the Grievance Committee cannot resolve the situation, the Grievance Committee shall present its findings and recommendation to the Board for a final resolution.
  - 1. The Grievance Committee shall present its findings and recommendation to the Board in Executive Session.
  - 2. Both the person filing the grievance, and the person to whom the grievance is directed, are entitled, but not required to be present in the Executive Session of the Board while the Grievance Committee is presenting its findings and recommendation.
  - 3. The Board may deliberate the grievance in Executive Session excluding the parties to the grievance.
  - 4. The Board shall conduct its voting on the final resolution to the grievance in Open Session.
- F. The Board may establish additional rules and policies governing the grievance process.

#### XVII. Rules of Order

- A. When questions of parliamentary procedure arise that are not covered in the By-Laws of the Club, Roberts Rules of Parliamentary Procedure may be used.
- B. The Board may appoint an Active or Lifetime member as Parliamentarian for Member and Board meetings, who may or may not be a member of the Board. If the

Parliamentarian is not a member of the Board, the Parliamentarian shall not vote in Board meetings.

XVIII. Amendments

- A. These By-Laws may be amended by a super-majority (two-thirds) vote of Active and Lifetime members attending a membership meeting called for this purpose in accordance with section IV, except that 30 days notice shall be required for a membership meeting voting on amendments to these By-Laws.
- B. Unless otherwise specified in the amendment, the amendment shall be effective immediately after it has been approved in a membership meeting.
- C. The Secretary shall update and distribute the updated By-Laws as soon as practical after an amendment is approved. Posting the updated By-Laws to a Club website will be taken as conformance to this requirement.
- D. The Secretary shall maintain record of amendments to these By-Laws as an appendix to these By-Laws. This appendix shall include the date the amendment was approved, the text of the amendment(s), and the text of sections that were replaced.