

## **Rules and Operating Regulations Aransas Pass Yacht Club**

The following Rules and Operating Guidelines (hereafter referred to as Rules), adopted by the Officers and Board of Directors of Aransas Pass Yacht Club (hereafter referred to as Club) in Aransas Pass, Texas, on February 1, 2003, shall govern the business of the Club, except as the same may be later amended.

### **Article I Membership**

#### ***1.0 Membership***

***1.01 General Membership Provisions.*** The rights and qualifications of the membership at large and of each of the respective member classes are set forth in these Rules and Operating Regulations (hereafter referred to as Rules). The definitions of the established classes shall be as determined by the Board of Directors:

***1.02 Classes of Membership.*** The Club shall have the following classes of members:

- a. Active Member: A person who meets the qualifications for membership in the Club. This member and spouse (if any) and the member's single sons and daughters (less than 18 years of age) shall have, subject to the Rules and Bylaws, all privileges afforded by the Club.
- b. Honorary Member: Any person who may be nominated by the Officers or Board of Directors and approved by the Board of Directors for such reasons as the Club may determine. Honorary memberships are limited to one (1) calendar year, but such members can be re-elected in January of each year.

***1.03 Applicants for Membership.*** Applicants for membership shall be elected by an affirmative majority vote of the Membership Committee in accordance with Section 1.10, in concurrence with the Board of Directors.

- a. Applicants for membership shall complete an application form and submit it to the Membership Committee along with a check for payment of the initiation fee and prorated first-year dues. New membership applicants' names shall be subject to the affirmative majority approval of the Membership Committee. Applicants rejected may re-apply no less than six (6) months after receiving notice of non-acceptance.

***1.04 Member Credentials.*** New members will be provided with proper credentials by mail or in person following their acceptance. This package will include, but is not limited to, a welcome letter from the Commodore, a set of Club Bylaws, a set of Club Rules and Operating Regulations, a membership card and a current Club Directory. Applicants rejected will be notified in a courteous and businesslike manner.

**1.05 Voting Rights.** Only Active members (or the spouse of such members) shall be entitled to vote on matters submitted to a vote of the Membership. At each election of Directors and Officers, each membership entitled to vote at such election shall have the right to one (1) vote for as many candidates as there are to be elected.

**1.06 Termination of Membership.**

- a. **Suspension/Expulsion for Cause.** The Board of Directors, by affirmative majority vote of the members present at a meeting at which a quorum is present, may suspend or expel a member for cause.
- b. **Expulsion for Ineligibility: Past-Due Accounts.** The Board of Directors may terminate any member who becomes ineligible for membership, or suspend or expel, in accordance with Section 1.09, any member who shall be in default in the payment of any Club Charges.

**1.07 Resignation.** Any Member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the resigning member of the obligation to pay any due and unpaid Club Charges.

**1.08 Club Charges**

**1.081 Club Charges Defined.** The term “Club Charges” shall mean and include all dues, fees, rentals, assessments, food and beverage charges and all other monetary obligations payable by a member of the Club.

**1.082 Monthly Dues and Assessments.** Each membership shall pay the dues and assessments proposed by Officers or Board of Directors and approved by the Board of Directors on or before January 31 of each year.

**1.083 Authority.** The Board of Directors shall have, subject to the Club Bylaws, sole authority to prescribe the amount of all Club Charges to be paid by each member.

**1.084 Due Date.** All Club Charges shall be due and payable on the first day of the calendar month following the month in which they were incurred or assessed.

**1.085 Special Club Charge Provisions.**

- a. The Board of Directors may from time to time levy an “Insurance Fee”. The proceeds of the Insurance Fee shall be invested in separate, insured, interest-bearing accounts that shall collectively be called the Self-Insurance Fund (“Fund”). The Insurance Fee shall be levied uniformly on all members. The Board of Directors may only disburse money from the Fund for the restoration or repair of Club property, which has suffered an uninsured casualty loss. Disbursement for any other purpose is prohibited.
- b. A small fee shall be added to the cost of event charges to cover Club expenses, to be determined on per-event criteria.

- c. For Club events requiring a price guarantee from the restaurant or supplier, any member who RSVP's to attend but does not appear will be charged for any guarantee paid by the Club.

### ***1.09 Expulsion, Suspension and Reinstatement of Members.***

***1.091 Expulsion for Cause.*** A member may be expelled for just cause. Any act of a member contrary to the best interests of the Club shall be brought to the attention of the Membership Committee in writing over the signature of the complainant. If, in the opinion of the Membership Committee, the complaint is valid and of sufficiently serious nature, the respondent member will be given an opportunity to reply to the complaint in writing to the Committee. If the matter cannot be resolved to the satisfaction of all parties concerned and the Membership Committee, then the complaint must be brought before the Board of Directors, along with all pertinent information, for final disposition.

***1.092 Late Charges on Past-Due Accounts.*** A member who fails to pay his or her Club Charges, in full, within thirty (30) days after the due date shall be assessed a late charge as prescribed by the Officers. Late charges will accrue at 5% per month until account is paid in full.

***1.093 Past-Due Accounts – Termination of Members.*** A member who fails to pay his/her Club Charges, in full, within ninety (90) days after the due date shall be terminated and notified in writing of such termination. Any member who is terminated shall forfeit all membership privileges.

***1.094 Charge Privilege – Suspension by Board.*** In the event the Board of Directors shall determine that collection of a member's account is doubtful, it may suspend or limit the member's privileges.

### ***1.10 Membership Procedures.***

***1.101 Membership Committee.*** A Membership Committee, consisting of a chairperson and three (3) members, appointed by the Vice Commodore, will review all applications for membership upon their receipt by the Club and approve or reject them, subject to concurrence by the Board of Directors. The names of the members of the Membership Committee will be secret. All applications must be made on the approved form supplied by the Club, and all requested information must be furnished. Each applicant must be proposed and recommended by one (1) member in good standing, indicated by signature of the sponsoring member on the application. A majority of dissenting votes will be required for an applicant to fail election by the Membership Committee, and such applicant cannot again be proposed for membership for a period of six (6) months from the date of such action.

***1.102 Reinstatement.*** Any member who has been suspended may, thereafter, upon written application to and approval by the Membership Committee, and subsequent approval by majority vote of the members of the Board of Directors present at a meeting at which a quorum is present, be reinstated after all Club Charges and penalties owed the Club have been paid in full.

***1.103 Resignation and Reapplication for Membership.*** A member that resigns and after two

years wishes to rejoin must reapply in the same manner as a new applicant. The Membership Committee, subject to the approval of the Board of Directors, will determine what Club Charges must be paid in connection with rejoining.

## ***1.2 Membership Qualifications and Rights.***

***1.201 Eligibility.*** Only persons of good character and at least twenty-one (21) years of age shall be eligible for membership in the Club.

***1.202 Member Privileges.*** All members are entitled to participate in any Club event.

***1.203 Qualifications for Office.*** Only Active members or their spouses may serve on the Board of Directors and as Club Officers. Member and spouse may serve as Officer and Director for the same term, but both cannot serve in the same governing body for the same term; at the discretion of the Board of Directors, an exception may be made for the best interest of the Club.

***1.204 Qualification for Club Committees.*** Any member, or member's spouse, or both, may serve and vote as a member of the Club's various committees. Any member or their spouse may serve as chairperson of any committee.

- a. If the duties of any committees seem to overlap, it is the duty of the committee chair to bring such overlap to the attention of the Commodore, who will take the appropriate action.

***1.205 Sabbatical Leave.*** Any member may be granted "Sabbatical Leave" at the discretion of the Board of Directors. The Sabbatical Leave policy of the Board of Directors will be applied on a fair and equal basis. The duration, member privileges while on leave, terms and the Club Charges due will be determined by the Board of Directors. Sabbatical Leave shall not affect voting rights.

## ***1.3 Membership Meetings; Notices; Voting.***

***1.301 Annual Meeting.*** There shall be one (1) meeting of the Membership held each year in November, known as the Annual Meeting.

***1.302 Proxies.*** Voting by proxy shall be permitted on all matters. Any proxy shall be in writing, signed by the member and dated, and filed with the Election Tellers up till the time of the meeting where a vote will be taken. No proxy shall be valid for more than thirty (30) days after its date.

***1.303 Nominating Committee – Appointment.*** The Nominating Committee shall consist of the current Club Officers who shall nominate candidates for Officer for the ensuing year who shall stand for election at the next Annual Meeting of the Membership.

***1.304 Nominating Committee – Business.*** A majority vote shall govern the actions and determinations of the Nominating Committee. The findings of the Nominating Committee shall be reported to the Secretary within seven (7) days, and the Secretary shall by the prompt posting of a notice on the Club bulletin board, in the Club newsletter or on the Club web site announce to

the Membership the nominations for Director(s) and Officers.

**1.305 Candidates for Director.** Should a Director of the Board resign before the end of a term, the Board of Directors shall appoint a replacement who will occupy the position for the remainder of the term. The replacement Director may be placed on the ballot for re-election by the General Membership at the Annual Meeting. The Board of Directors shall nominate candidates for election to the Board and submit nominees to the ballot for election by the General Membership at the Annual Meeting.

**1.306 Election Tellers; Voting.** The Officers shall appoint three (3) Election Tellers to count written ballots cast for the election of Directors and Officers. On the day of the Annual Meeting, ballots may be delivered to the Membership and shall be accepted and counted up to the time there is a call for the vote for election of Officers and Directors. The Election Tellers shall report the results of the election to the Commodore who shall announce the results of the election at the Annual Meeting. The Secretary shall post the results of the election on the Club bulletin board and/or in the newsletter. Ballots shall either be retained by the Secretary for a final audit by a committee appointed by the Board of Directors, or destroyed, at the discretion of the Board of Directors.

## **Article II**

### **Contracts, Checks, Deposits and Funds**

**2.0 Contracts.** The Board of Directors may authorize any officer or agent of the Club, in addition to the Officers so authorized by the Bylaws to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Club, and such authority may be general or confined to specific instances.

**2.01 Drafts, etc.** All checks, drafts, orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Club shall be signed by such Officers or agents of the Club and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**2.02 Deposits.** All funds of the Club shall be deposited from time to time to the credit of the Club in such banks, trust companies or other depositories as the Board of Directors or Officers may select.

**2.03 Gifts.** The Board of Directors may accept on behalf of the Club any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Club.

**2.04 Operational Prohibitions.** The Club, its Board of Directors, Officers and agents shall not do any act which shall constitute a basis for denial of tax exemption under applicable laws. In particular,

- a. The Club shall not:
  - (1) lend any part of its income or corpus, without receipt of adequate security and a reasonable rate of interest;
  - (2) pay any compensation in excess of a reasonable allowance for salaries or

- other compensation for personal services actually rendered;
- 3) make any part of its services available on a preferential basis;
  - 4) make any substantial purchase of securities or any other property for more than adequate consideration in money or money's worth;
  - 5) sell any substantial part of its securities or other property for less than an adequate consideration in money or money's worth; or
  - 6) engage in any other transaction which results in a substantial diversion of its income or corpus to a person who has made a substantial contribution to the Club, a member or the family of such person or a corporation controlled by such person.
- b. The Club shall not accumulate out of income amounts which are:
- 1) unreasonable in amount or duration in order to carry out the purpose or function constituting the basis for tax exemption;
  - 2) used to a substantial degree for purposes or functions other than those constituting the basis for tax exemption; or
  - 3) invested in such a manner as to jeopardize the carrying out of the purpose or function constituting the basis for tax exemption.

### **Article III Notices**

**3.0 Notice.** Whenever, under the provisions of these Rules, Notice is required to be given any person, it shall not be construed to be limited to personal Notice, but such Notice may be given in person, by facsimile transmission or by mail, by depositing in the United States mail, postpaid, addressed to such Director, member or other persons, at his or her address, as the name appears on the books of the Club. If transmitted by facsimile, Notice is deemed to be delivered on successful transmission of the facsimile.

**3.01 Waiver of Notice.** Whenever any Notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation of these Rules, a Waiver thereof in writing signed by the person or persons entitled to such Notice whether before or after the time stated therein shall be deemed equivalent to the giving of such Notice.

### **Article IV Miscellaneous**

**4.01 Rules of Conduct.** All members and guests shall be subject to Rules of Conduct as determined by the Officers and Board of Directors.

**4.02 Non-members; Children; Guests.** It is the policy of the Club to limit and discourage frequent and regular use of the Club by non-members. Children of members eighteen (18) years and older are considered non-members and must comply with rules for a guest. Guests must be accompanied by a Club member and must comply with all Club rules.

**4.02 Club Records.** The balance sheets, profit and loss statements and the minutes of the meetings of the Board of Directors and Officers of the Club shall be open to inspection and copying by any member upon reasonable notice. The current membership list of the Club, for non-commercial use or sale, shall be available to any member upon request at a nominal, uniform charge to the member.

**4.03 Ship's Store.** Ship's Store merchandise shall be the responsibility of the office of Treasurer. Pricing for merchandise shall be determined by cost per unit with a small margin added to cover Club expenses, to be determined on per-piece criteria. Texas state sales tax will be collected for each item.