



Founded 1896

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Report of the By-Laws Review Committee

15th February, 2009

KYC By-Laws Review Committee:

Ralph Alan Shaw, Jr. Past Commodore, Chair

Tim Irwin, Past Commodore

Richard Sellens, Member

15th February, 2009

To the Commodore and the Board of Directors of the Kingston Yacht Club;

In response to the considerable discussion which took place at the KYC Annual General Meeting of November, 2007, Commodore Rob Colwell struck this Committee in January of 2008, charging it to review, revise as appropriate and present to the Board of Directors for its review and comment, recommendations for revisions to the By-Laws of the Kingston Yacht Club, 2007 edition.

We are happy to report that we have undertaken this task over the past months and believe the proposals made herein, if adopted, will help to make the KYC By-Laws better serve the Club and its Members well into the 21st century.

Please receive the following as the Report of the KYC By-Laws Review Committee.

Respectfully Submitted,

Ralph Alan Shaw
Jr. Past Commodore
By-Laws Review Committee, Chair

Tim Irwin
Past Commodore
By-Laws Review Committee

Richard Sellens
KYC Member
By-Laws Review Committee

Terms of Reference:

The following were developed as Terms of Reference to guide the Committee:

- The By-Law Committee shall report to the Board through the Commodore.
- Objectives:
 - To review, revise as appropriate and present to the Board for review and comment
 - Present to the Members for ratification at the 2008 Annual General Meeting, or at a Special General Meeting of the Members called for that purpose.
- Size & composition of the Committee:
 - Small and manageable
 - Seek advice from various stakeholders; e.g.: Senior Members
- By-Laws vs. Policy vs. Guidelines
 - Make recommendations about issues raised as to whether they should be addressed by:
 - By-Laws – addressing governance, being relatively static;
 - Policy – addressing process and procedure, being both responsive and dynamic; or
 - Guidelines – addressing the administration of member services, etc., being relatively flexible and offering considerable latitude.

Activities of the Committee:

The Committee reviewed the current KYC By-Laws, individually, and met several times throughout 2008 and early 2009 for discussions. It has also engaged the current and past Boards of Directors in several briefing sessions, which proved very fruitful. It also arranged to have the 2007 edition of the By-Laws posted on the KYC Website and, through land mail, e-mail and word-of-mouth, solicited input from the membership

Several submissions were received from the members, some of which raised issues beyond the scope of this Committee. These were immediately directed to the Commodore or the appropriate Director to be resolved through actions already within their authority.

Seven submissions were received which raised issues pertaining to the By-Laws that did fall within the mandate of this Committee. Each of those who made a submission was invited to sit with the Committee to discuss his or her ideas. Three members elected to address the Committee.

Following the Committee deliberations, a draft of the proposed By-Laws containing all the proposed revisions was reviewed by lawyer and KYC Member, John Curtis, for an opinion as to the legality of the recommended changes to the KYC By-Laws.

Issues Identified for Consideration:

Several issues pertaining to the governance of the Club were identified that should be considered by the membership:

- Article No. 1 - Membership
 - Categories
 - Voting memberships
 - Recognition of Members of Long-standing: 'Senior Members'
 - Rights of Nominees
 - Capacity in which Nominees can serve if his or her nominating Member has not exercised that privilege.
 - The effect and impact of amendments passed at the 2007 AGM on the content of the current By-Laws.
- Article No. 2 – Election of Members
 - 'Provisional' Membership

- Article No. 3 - Membership, Mooring and Yard Fees
 - Which fees should continue to be subject to AGM approval and which fees, if any, should be delegated to the Board to decide?
 - Minimum Chits
 - Initiation (aka: 'Entrance') Fees
 - Purchase of Share Capital or Debentures

- Article No.4 - Schedule of Fees
 - (Transfer of fees from Article No.3)

- Article No.5 - Termination and Suspension of Membership
 - Improvement of definition of 'Arrears' - as it has a bearing on voting at General Meetings of the members
 - The right to petition the membership over a Board decision to expel a member

- Article No. 6 - Officers of the Club
 - Formal recognition of the executive committee
 - Office Manager / Secretary Manager as a Signing officer?

- Article No. 7 (ii) - Board of Directors
 - "Directors shall serve without remuneration for acting as such ..." Under what circumstances may the Club contract with businesses in which a Director may have a vested interest?
 - Composition of the Board of Directors:
 - Should there be three, four or five Directors-at-Large; e.g.: move one or more of the existing named directorships into the Directors-at-Large pool?
 - If there are to be any number of Directors-at-Large, what portfolios should they cover?

- Article No. 10 - Powers of the Board of Directors
 - Requirement for two signatures on all contracts - expansion of the *de facto* requirements currently in place to name employment contracts and understandings with Corporate Memberships (e.g.: Able Sail Kingston, CORK, Queen's Sailing, etc.).

- Article No. 11-19 - Duties of (the Directors)
 - Do we want to specify what the Duties of the 'other' Directors (aka: 'Directors-at-Large') should be?
 - Should the responsibility of managing communication to the members be formally allocated to an existing directorship; or should a new directorship be created for that purpose?

- Article No. 23 – Procedures at Meetings
 - Voting by ‘proxy’
- Article No.26 – Colours
 - More sharply defining the legal description of the Club Signal (aka KYC Burgee)
 - Claiming ownership, copyright, and bestowing the authority to grant and/or limit the use of Club symbols: KYC Signal (KYC Burgee), KYC Officers’ Flags (KYC Commodores’ Pennants) KYC Device (KYC Emblem, aka: ‘KYC Crest’).
- Article No.27 – Distribution of Property upon Dissolution
 - Is Article No. 27 consistent with the objectives and intentions of the Club as established in the Letters Patent of 1916?
- Article No. 30 – Interpretation
 - For the purposes of clarity, should certain terms used in the By-Laws be defined therein? e.g.: ‘Member in good standing’, ‘Dependents’, ‘Directors ... serving as such’
- Article No.31 – Repeal of Former By-Laws
 - Move to last place
- Article 32 – Amendments to the By-Laws
 - Naming and strengthening exceptions to the general rule

These ideas were deliberated-upon at length by the Committee and, in discussion sessions with the Board of Directors, a broad consensus was achieved. The recommendations being proposed have been grouped by the character of the change being recommended, being either: ‘housekeeping’ issues; those which will require more ‘material change’; or those proposing truly ‘substantive change’ to the By-Laws. These relatively specific recommendations are then followed by a more general recommendation to re-order the By-Laws into a more intuitive and logical sequence and recommendations to develop the means to the next step forward at a Special General Meeting of the Members.

The nature and character of the proposed revisions to the By-Laws may well have an impact on how the Board will choose to proceed. Lastly, two recommendations are made as suggestions to the Board of Directors to develop a strategy and plan the process whereby these recommendations can be implemented.

The following further explains this concept:

I - Housekeeping - Rationalization & Consolidation [starting on Page 12]:

There are a series of changes to the By-Laws that could easily be implemented which do not effectively change the character of the By-Laws but do clear-up inconsistencies that now appear across the By-Laws and would make it easier to understand their overall intent. Examples include:

- a. Cleaning-up awkward wording that makes no change to the meaning or intent of the current By-Laws
- b. Changes to certain articles because of recent amendments to other Articles that have already been implemented, but will require a formal decision on the part of the membership before they can be implemented; e.g.: Corporate Membership still mentions 'Crewing' and 'Social' Memberships
- c. Strengthen certain articles; e.g.: Consolidate and further define the responsibilities of the Directors in Articles No.11 to No.19 - Duties of (Directors)
- d. Definitions of terms used in the By-Laws
- e. Discussion of issues for which there are no recommendations for change

Twenty-eight (28) Housekeeping recommendations are presented.

II - Material Changes to the Current By-Laws [starting on Page 36]

There are several issues that do not significantly change the intent inherent to the current By-Laws but do venture into new areas. Examples include:

- a. How to handle membership points when members form family units or break them apart
- b. More sharply defining the character of Life Membership and the value the Club places upon these members
- c. Defining and broadening the responsibilities placed upon the Directors of the Club
- d. Establish firmly in the By-Laws the concept that KYC does not permit 'proxy voting' in any form or forum
- e. Redefining the term 'dependent' to reflect the realities of the 21st Century
- f. Placing definitions of the terms 'dependant' and 'member in good standing' in a clause to describe their use and meaning in the KYC By-Laws

Thirteen (13) recommendations for Material Change are presented.

III - Substantive Changes to the Current By-Laws [starting on Page 49]

Four issues were also identified which, if incorporated into the By-Laws, will fundamentally alter the way in which KYC is governed and will significantly change the character of the Club in the eyes of the members:

- a. Action upon Dissolution of the Club – aka: ‘The Poison Pill’
- b. ‘Senior’ Membership Re-visited
- c. Expansion of the Franchise – Who gets to Vote?
 - i. Current Senior Members
 - ii. Nominee Members of Family and Life Memberships, as re-defined
- d. Strengthening the By-Laws with clear statements about making amendments to key elements

Eight (8) recommendations for Substantive Change are presented

IV - Tidying-Up: Re-order and Re-Number the By-Laws [starting on Page 63]

The order in which an Article in the By-Laws appears is important because an earlier Article holds precedence over one that appears later in the sequence. The composition of this set of recommendations is largely contingent upon the acceptance of the earlier ones. They amount to a re-ordering of the revised By-Laws into a more logical sequence. Examples include:

- a. Re-order the clauses in Article No. 1 such that categories of membership are defined before they are allocated rights and privileges
- b. Name and elect the Board of Directors, now Article No.7, before the Officers of the Club (i.e.: the Flags) are named and given powers, now Article No. 6.
- c. Bring Article. No. 24 - Guests of Members closer to Article No. 1 - Membership

One (1) recommendation for Tidying-Up is presented.

V - How to Navigate the Course Forward [starting on Page 65]

This last set of recommendations offer suggestions to the Board of Directors to assist it in developing a strategy and process that could help to see the Committee’s proposed amendments to the current edition of the KYC By-Laws implemented.

Three (3) recommendations to Guide the Way Forward are presented.

In all, fifty-three (53) recommendations either to initiate improvement to the current By-Laws or to maintain the *status quo*, were formulated to address the issues identified in the terms of reference or as they were raised during the subsequent discussions.

Structure of the Report – How the Discussion and Recommendations are Organized:

As stated, these recommendations have been categorized into three broad categories of issues, plus the tidying-up and moving forward. Within the ‘housekeeping and ‘material change’ groups, each recommendation is presented sequentially, in the order in which the Article being addressed appears in the 2007 edition of the KYC By-Laws. The recommendations for ‘substantive change’ are presented in an order that reflects the relatively contentious nature of each change being proposed.

The recommendations are somewhat iterative in this format, in that changes in some early recommendations will need to be further revised in order to be consistent with certain amendments proposed later in the discussion, should these latter more controversial recommendations be accepted by the members. The strategy behind this is to see the less controversial recommendations considered and (possibly) implemented by the members before they tackle the more difficult issues.

Each issue is presented with a discussion of the concerns that drew it to the fore, and then with the Committee’s recommendation(s) to address the matter. This is followed with the proposed wording of an amended By-Law to put before the members as a motion at a General Meeting which, if accepted, would see the recommendation implemented.

For the ease of the reader, new wording or key elements of the changes in the proposed By-Law amendments are presented in **bold face**.

In Appendix No.1 (Pages 69 to 102), the 2007 edition of the KYC By-Laws and the recommended amendments are presented in a format that permits the current wording to be compared to the recommended revisions with the Articles of the 2007 edition appearing on the left-hand side of the page with the proposed revisions beside them on the right-hand side of the page. Again, they are grouped by category of change: Appendix No. 1.1 – Housekeeping (Page 70), Appendix No. 1.2 – Material Changes (Page 82) and Appendix No. 1.3 – Substantive Changes (Page 90).

In Appendix 1.4 (Page 94), the entire suite of proposed amendments are presented as they might appear as a complete set of By-Laws, should they all be accepted and ratified by the members. Each of the proposed amendments has been highlighted in yellow (or light gray if printed in monochrome) for ease of identification.

A synthesis of the rights and privileges of each class and category of membership are exhibited in two tables in Appendix No. 2 (Pages 103 and 104). Appendix No. 2.1 presents these rights and privileges as they were ascribed following the changes

implemented at the 2007 AGM and Appendix No. 2.2 illustrates how they would be allocated, by class and category, if the recommendations made herein are accepted by the members.

KYC's conflict of interest policy and a related policy to guide the purchasing of goods and services for the Club, which were both adopted by the Board of Directors in February 2008 and are referenced in the discussion starting on Page 29 to address the issue of "Directors shall serve without remuneration for acting as such ...". They appear in Appendices No.3.1 and No.3.2, respectively, on Pages 105 through 108.

I - Housekeeping – Rationalization & Consolidation:

A Compendium to Complement the By-Laws

As a general comment, the Committee believes the primary function of the KYC By-Laws is to lay down a succinct foundation and present a concise framework to provide for the efficient governance of the Kingston Yacht Club. They are intended to inform the members, individually, and guide the Board of Directors as to how the membership as a whole sees the Club as an entity, and how it perceives that it should function. If By-Laws provide the foundation and framework, it is in the Club's established policies and standing regulations, as created from time to time, that the finer points are fleshed-out to provide form and describe how the Club is intended to function.

By-Laws explain in broad strokes what the Club is: who are its members?, what are their rights and privileges?, what body within the membership shall be responsible for its governance?, how are they chosen?, what are their responsibilities?, how are they expected to act?, and how do they relate /respond /report to the membership as a whole? By-Laws should reflect the broad expectations of the membership and should be relatively stable (meaning that, if well created, they should not need to be amended very often).

Policies and regulations explain in detail how the Club is expected to function. At KYC, policies inform the members, for example, how regattas should be organized (KYC Regatta Policy), how goods and services in support of Club property and activities should be acquired (KYC Purchasing Policy), and how the harbour's system of wet and dry moorings should function (KYC Harbour Regulations). At KYC, they are myriad. Policy and regulations should be clear and detailed. It should be possible to change or modify these rules easily, so as to meet the evolving needs of the members, as they arise.

The rich descriptions of regulatory intentions found in policies do not belong in the By-Laws, yet the implications of some By-Laws (the intended roles of the Directors-at-Large, for example, or the prescribed uses of the various symbols that identify the Club) need to be made clear. To that end, the Committee suggests that a concerted effort be put into compiling a book of standing Club policies and regulations, and that it be made readily available to the membership. To that end, it would also be wise to create a Compendium to the By-Laws. Such a document would be a companion to the By-Laws but have no formal standing, as such. It would provide detailed comment and give illustration to explain the background, history and expectations placed upon the Club and its members through the By-Laws.

Recommendation No.1: Create a Compendium to the By-Laws.

Article No. 1 - Membership

Article No.1 Clauses (i), (ii) & (iii) claim the right to admit members to the Club, lists the categories of membership, and then lays out the classifications of membership as voting and non-voting.

Article No.1 (iv) follows with a list of the possible rights and privileges of membership.

Article No.1 Clauses (v) & (vi) speak to the transfer of membership to a Nominee Member upon the death of a nominating Member and the freezing of membership points should a Member leave the city and retain a more limited membership (as yet undefined).

Article No.1 Clauses (vii) through (xviii) then describe the various categories of membership (including one which has not been offered for over a decade) and allocates the rights and privileges of each from the list in Article No.1 (iv), which are then listed again.

Article No.1 (xix) cautions the membership that the debts incurred by Nominee Members will be the responsibility of the nominating Member.

While quite detailed, the layout of Article No.1 is cumbersome to the extreme. The By-Laws should first name each classification of membership, then list each category of membership within a class, and then define and describe each category of membership before allocating its rights and privileges. Only once this is accomplished, should the provisions concerning changes in category or residence be specified.

Recommendation No.2: Reorder the clauses of Article No.1 to better reflect the logic of subscribing and being elected to membership in KYC.

Please Note: The proposed wording to accommodate this and other recommendations being proposed to address Article No.1 - Membership in this section are presented in Recommendation No.7, which appears on Page 17, following the general discussion.

Article No.1 (ii), in granting the Board of Directors the right to limit the number of members and to bestow additional rights and privileges of membership upon the Club's members, addresses the ideas presented in the more sweeping **Article No.10 - Power of Directors**, and in **Article No.32 (i) - Amendment of the By-Laws**. In the interest of making the By-Laws concise, the right to create or adjust the members' rights and privileges should be consolidated within **Article No.10**, alone.

Recommendation No.3: Delete Article No.1 (ii) [noting also Recommendation No.21 to address Article No.10 (i)]

Article No.1 (iv) presents a list of possible rights and privileges of membership in the Club, which are then allocated in later clauses, based upon the class and category of membership. It is possible to see these rights and privileges as a nested hierarchy with some being available to all members (e.g.: Club racing and social activities, and access to programs such as Junior and Adult Learn-to-Sail, etc.); with a limited set of privileges being available to Associate Members (e.g.: the right to accrue 5 membership points per year, access to a dry mooring, the right to nominate a Nominee Member, etc.); with access to all the rights and privileges of Full Membership (e.g.: the right to vote, the right to nominate candidates for membership, access to wet moorings, etc.). A simple re-organization of Article No.1 could accomplish this efficiently.

Recommendation No.4: Amend the By-Laws to reflect the hierarchical nature of the rights and privileges of membership in the Club as defined by the class and category of membership.

Article No.1 Clauses (x) through (xviii) list and identify the categories of Associate and Senior Membership; the two being identical with the exception that to be called a 'Senior Member' a member has to have achieved the age of 65 years. Each category of Associate Membership has been allocated a slightly different set of rights and privileges in an attempt to accommodate some subtly as to age, distance of residence, permanence of dwelling in the city or whether, by some undefined right or qualification, a non-member is to be honoured with a free membership for one year. While not presented in the By-Laws, it can be noted that, historically, most of these sub-categories of Associate Membership also have fees different one from the other.

In the name of simplifying the administration of these categories, with the exceptions of Corporate Membership (please note the discussion which follows), all categories of Associate Membership should be allocated the same rights and privileges: the right to nominate a Nominee Member upon payment of the associated fee, 5 membership points per year, credit privileges (a Junior Member would require a co-signer), access to a dry mooring, etc.

As a Club, KYC should be encouraging all its members to make use of their Club. If one pays a fee and continues to do so over the years, shouldn't one also accrue credit for it? Allocating membership points to Honorary Members during their tenure as such might well encourage them to seek out 'proper' membership should they not be re-elected to the category after some years of enjoying access to the Club.

The privilege of access to dry mooring by an Associate Member is an artifact of the 'Crew Membership' which was not revoked when that membership category was dissolved and aggregated with other associate memberships at the 2007 AGM. Currently, 5 Associate Members keep dry moorings. The Committee believes it would be unwise to revoke that privilege at this time.

Article No.1 (xv) speaks to Corporate Membership, which is currently somewhat of a hybrid with rights and privileges of Associate Membership plus the right to vote at a General Meeting of the members for two named Corporate Members. The strata of membership sub-categories it creates is overly complex and cumbersome to manage. The construct of this category was originally intended to accommodate firms that might like to have regular access to the Club's bar and dining room for their employees. KYC can indeed be an impressive place to bring a client for a corporate lunch, and this option should not be lost. However, Corporate Membership has evolved into the conduit through which not-for-profit organizations can become affiliated with KYC. The Queen's Sailing Team, CORK and Able Sail Kingston are examples. Such memberships should be viewed as 'win-win' relationships for both the Corporate Members and the Club.

Article No.1 (xv-b) defines the fees for an Associate Member obtained through a Corporate Membership to be "equal in value to one Crew Membership Fee" Similarly, **Article No.1 (xv-c)** also mentions: "Nominee Member fees for the 'Social Membership with Nominee' and the 'Senior Membership with Nominee', membership categories", neither of which are/were actually membership categories. As a result of the revisions to the By-Laws at the 2007 AGM, neither 'Crew' nor 'Social' Memberships continue to exist. Since this By-Law has not been realigned with the current membership structure, the fee to be assigned is thus ill-defined. The intent could be inferred, but it is not spelled out. Furthermore, **Article No.3 (i)** already establishes the process for setting membership fees.

The solution is simply to remove any reference to fees from the Corporate Membership category definition.

To resolve issues created by the hybrid character of the category and in recognition that two Corporate Members of each Corporate Membership enjoy the right to vote, it seems reasonable to grant those rights and privileges granted to all categories of Membership to Corporate Members such as access to a the Club and property, access to Learn-to-Sail programs, credit privileges, etc., and then permit each Member Corporation and the Club to negotiate specific rights and privileges so as to custom fit its needs with the Club's capacity to provide them. In point of fact Able Sail Kingston already makes use of a large dock box and has wet moored several of its boats from time to time. It is

unlikely CORK would want such privileges. To structure each Corporate Membership as a 'best fit' is simply to acknowledge in the By-Laws what has already come to pass.

Permitting a Corporate Member the privilege of nominating an affiliate of the Member Corporation to stand as an Associate Member in his or her own right, and thus have the privilege of nominating a Nominee, is merely a recognition of **Article No.2 (i)** which already bestows that privilege on any 'two Full Members in good standing'.

The net result of this re-configuration is a Corporate Membership with as many as four Corporate Members, any named two of whom could vote and would thereby act in the interests of their corporation; plus any number of Associate Members and their Nominees for whom the fees would be paid (who actually makes the payment is of little consequence to the Club); plus the recognition that privileges would be allocated by way of a negotiated agreement. This concept meshes well with the current move to rationalize membership categories and the administration of these particular memberships becomes simpler.

Recommendation No.5: Amend Article No.1 (xv) to include Corporate Membership as a Full Membership with limited rights and privileges as may be negotiated with the Club through the Board of Directors.

Article No.1 (xvii) lists the rights and privileges for Non-Active Members, a category of membership that was stricken from the By-Laws some years ago. Since it was the decision of the membership that this category should be 'grandfathered' for as long as members currently in the category continue to pay the fee, the Club should continue to admit such Non-active Members to the Club; however, the category need not continue to be named in the By-Laws. In 2008, there were two such memberships.

Recommendation No.6: Remove reference to Non-Active Membership from the By-Laws while continuing to honour the decision of a past Board of Directors.

As a means to implement the aforementioned recommendations to update, rationalize and consolidate the way in which the By-Law address membership in the Club, the Committee recommends the following aggregate changes to Article No.1.

Please Note: Amendments to further change this article will be proposed following a discussion of member enfranchisement, which appears later in this report.

Recommendation No.7: Amend Article No.1 to read:

“MEMBERSHIP

- (i) The membership of the Kingston Yacht Club shall consist of those persons who may be admitted to the membership classifications and categories as hereinafter provided.

MEMBERSHIP - CLASSIFICATIONS AND CATEGORIES

- (ii) There shall be two classifications of membership: Full Memberships (voting) and Associate Memberships (non-voting).
 - a. **Full Membership** categories shall include: Single, Family, Life and Corporate Memberships; and their affiliated Nominee Memberships, where permitted.
 - b. **Associate Membership** categories shall include: Associate, Senior, Non-Resident, Junior, Temporary and Honorary Memberships; and their affiliated Nominee Memberships, where permitted.

Full Membership Categories [Voting Memberships]

- (iii) **Single Membership:** A Single Member is an individual who has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. A Single Member may exercise one (1) vote at General Meetings of the members.
- (iv) **Family Membership:** A Family Membership is comprised of a Family Member and his or her named Nominee Member who are a co-habiting couple and their dependent children who have been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. A Family Member may exercise one (1) vote at General Meetings of the members.
- (v) **Life Membership:** A Life Member is one who has been elected to the rank by a unanimous vote at a General Meeting of the members.
 - a. A Life Member shall hold the rank during his or her lifetime or until his or her resignation from the Club.
 - b. A Life Member may exercise one (1) vote at General Meetings of the members and shall have the rights and privileges of Family Membership.
 - c. Life Members are not liable for the payment of membership fees.

- d. In the event that the Nominee of a Life Member is predeceased by the Life Member, the rights & privileges of a Single Membership shall be extended to the Nominee Member during his or her lifetime and that, as a courtesy, this special membership shall attract no annual membership fee.
- (vi) **Corporate Membership:** A Member Corporation is an eligible business corporation, registered partnership or not-for-profit organization which has been elected to the rank by the Board of Directors and for which the membership fee for this category has been paid. A Member Corporation may nominate from among its directors, employees and partners, as many as four Corporate Members who, if elected, will become members without further payment of fees.
- a. A Corporate Member is an individual affiliated with and nominated by a Member Corporation who has been elected to the rank by the Board of Directors.
 - b. Any two (2) named Corporate Members from the Member Corporation may each act in the interests of the Corporation by exercising one (1) vote at a General Meeting of the members.
 - c. A Corporate Member may nominate Associate Members from among its directors, officers, employees and partners.

Senior Membership [Non-voting Membership]

- (vii) **Senior Membership:** A Senior Member is an individual who has attained the age of sixty-five years, has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid.

Associate Membership Categories [Non-voting Memberships]

- (viii) **Associate Membership:** An Associate Member is an individual who has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid.
- (ix) **Non-Resident Membership:** A Non-Resident Member is an Associate Member who resides more than 80 kilometers from KYC, **does not moor or otherwise maintain a boat within 80 kilometers of KYC** and makes infrequent use of the Club, who has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. A member having accumulated membership points and who

departs from the City of Kingston and who transfers to a Non-Resident Membership, will retain any accumulated membership points. Such accumulated membership points will be available to the Member upon subsequent transfer to **another membership category**. Students attending educational institutions in and around Kingston shall not be eligible to be Non-Resident Members. A Non-Resident membership is extended as a courtesy and shall be subject to periodic review.

- (x) **Junior Membership:** A Junior Member is an Associate Member who has not reached the age of majority in Canada as of March 1st of the current membership year who has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid.
- (xi) **Temporary Membership:** A Temporary Member is an Associate Member whose residency in Kingston is short term who has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. Temporary Membership is available on a monthly basis.
- (xii) **Honorary Membership:** An Honorary Member is a member of the Kingston Community, not ordinarily a member of the Kingston Yacht Club, who has been elected to the rank by the Board of Directors for a period of time not to exceed one year. Honorary Members may be re-elected by the Board of Directors.
- (xiii) **Nominee Membership:** A Nominee Member is an individual **who is a co-habiting partner of** a Family, Life, Corporate, Senior or Associate Member who has been nominated by that member to be affiliated with his or her membership, has been elected to the rank by the Board of Directors and for whom the fee, if any, has been paid. A Nominee Member may exercise all the rights and privileges included in the membership category of the nominating member, in lieu of that member.
- (xiv) Debts incurred at the Club by any Nominee or affiliated Member shall be the responsibility of the nominating member and shall be assigned to the nominating member's account.

MEMBERSHIP - RIGHTS AND PRIVILEGES

- (xv) The rights and privileges of each classification and category of membership shall include, but may not be limited to the following:

- a. Rights and Privileges of all Memberships in the Kingston Yacht Club include, but are not limited to:
 - i. Access to Clubhouse and Club Property;
 - ii. Participation in Club Races and Social Activities;
 - iii. **Credit Privileges, upon submission and acceptance of a credit agreement;**
 - iv. **Access to instructional sailing programs, as may be provided by the Club, upon payment of the appropriate fee.**

- b. Rights and Privileges of Full Membership in the Kingston Yacht Club, **with the exception of Corporate Membership**, include, but are not limited to:
 - i. The right to nominate candidates for office;
 - ii. The right to exercise one (1) vote at any meeting of the members;
 - iii. The right to stand for office;
 - iv. **The right to nominate candidates for membership;**
 - v. For a Family or Life Member, the right to nominate one (1) Nominee Member and their dependent children to be affiliated with his or her membership;
 - vi. The right to accumulate for every year of continuous Full Membership, ten (10) Membership Points to be utilized in the allocation of facilities and services such as wet moorings and boatsheds;
 - vii. The right to use one wet mooring, subject to the Club Mooring Regulations and upon payment of an annual fee;
 - viii. The right to use one boatshed, subject to the Club Boatshed Policy and upon payment of an annual fee;
 - ix. The right to access the KYC Community Club Program, subject to having demonstrated a satisfactory level of sailing competency as determined by the Club and upon payment of an annual fee;
 - x. The rights and privileges of Associate Membership, with the exception of Article No.1 (xviii d-i): the right to nominate additional Nominee Members; and, Article No.1 (xviii d-ii): the right to accumulate five (5) membership points for every year of continuous membership.

- c. **Rights and Privileges of Corporate Membership, include, but are not limited to:**
 - i. **For any two (2) named Corporate Members, the right for each to exercise one (1) vote at any meeting of the members;**

- ii. **The right to stand for office;**
 - iii. **The right to nominate candidates for office;**
 - iv. **The right to nominate candidates for membership;**
 - v. **Additional Rights and Privileges as may be negotiated with the Board of Directors.**
- d. Rights and Privileges of Senior and Associate Membership in the Kingston Yacht Club include, but are not limited to:
- i. The right to nominate one (1) Nominee Member to be affiliated with his or her membership, upon payment of the membership fee for this category;
 - ii. The right to accumulate for every year of continuous Associate Membership, five (5) membership points, which upon transfer to a Full Membership, may be utilized in the allocation of additional facilities and services such as wet moorings and boatsheds;
 - iii. The right to use one dry mooring, subject to the KYC Mooring Regulations and upon payment of an annual fee;
 - iv. The right to winter storage of a boat at KYC, subject to the KYC Mooring Regulations, upon payment of an annual fee;
 - v. Membership in the Canadian Yachting Association.
- (xvi) In the event that a Nominee Member is pre-deceased by his or her nominator, he or she shall have the option of subscribing to a Full or Associate Membership and retaining the membership points accumulated by the deceased nominator. Upon subscribing to a Full Membership category, the Nominee Member shall have the option of retaining a wet mooring and/or boatshed previously held by the nominator at the time of death."

Article No. 2 – Election of Members

Article No.2 (iii) does not indicate what is to be done if a member applies for a change in membership category that attracts a fee that is less than the one currently paid. If the stipulation of pre-paying an increase in fees is to be in the By-Laws, it would be wise to balance it with a procedure should a reduction in fees be the case.

Recommendation No.8: Amend Article No.2 (iii) to read:

"Any member may make application in writing to the Board of Directors to be admitted to another category of membership which shall be considered in accordance with the provisions for the election of new members. The member

shall deposit with such application the balance of the membership fee which would be payable upon election to the applicant's new category of membership. **If a refund is due, that refund will be credited to member's account upon being elected to the new category."**

Article No.2 (iv), (v) & (vi) make reference to 'provisional membership' being granted to candidates for membership, assigning them membership identification numbers, providing them with membership cards (admittedly only a 'provisional' one) and granting them Club privileges before they are elected to membership by the Board of Directors. This is troublesome on several levels:

- (i) Individuals are arbitrarily granted un-vetted access to the Club (i.e., without specific authorization by the Board) merely by depositing a form and a cheque with the front office;
- (ii) The way this By-Law is now worded if, by error or omission, the Board does not actually consider a nomination, the provisional membership, and therefore access to the Club by an un-vetted candidate, would continue indefinitely until the Board actually did choose to consider the nomination.

Surely, this is not what was intended when this By-Law was passed. It seems out of sequence to have an account assigned before a member is elected. Furthermore, there really does not need to be any mention of membership cards in the By-Laws, at all. Besides, does it not further add to the value of being accepted as a new member when a membership card and account number are received in the mail along with the notification of being elected? The solution is to remove the notion of Provisional membership and simply supply a candidate with a time-limited 'KYC Candidate for Membership' identity card that would afford an individual limited access to the Club while the nomination process takes its course.

Recommendation No.9: Consolidate the intentions in Articles No.2 (iv), (v) & (vi) to read:

"A candidate for membership nominated in accordance with Article No.2 (i), may enjoy limited access to Club property and be welcomed to attend Club activities pending the decision of the Board of Directors."

Article No.2 (vi) (the 2nd so numbered) has wording which is not consistent with other sections of the By-Laws.

Recommendation No.10: Amend what appears in the 2007 edition of the By-Laws as the second Article No.2 (vi) and renumber it as Article No 2 (vii), to read:

“Notwithstanding the foregoing, the **election** of Life and Honorary Members shall be as described in Article No.1 (v) and Article No.1 (xii).”

Article No. 3 - Membership, Mooring and Yard Fees

Article No. 3 (i) provides for the Board of Directors to present a By-Law to establish “entrance fees, if any, and the annual fees, mooring and yard fees” for the ensuing year. It also restricts implementation of any amendment to that By-Law with: “thereafter no by-law amending the said fees, including any by-law imposing an additional assessment on the members, shall be effective until it has been confirmed at a General Meeting of the members”.

It was this particular By-Law that necessitated calling a Special General Meeting of the members (one particularly bitter winter’s evening), to authorize levying a surcharge on the Club’s finger-dock moorings that would allow the Club to afford this improvement to the Harbour.

The purpose of this By-Law is to permit the members to have the ultimate say as to what their fees will be in the coming year. Any increase must be justified at the AGM and adhered-to by the Board throughout the year, and quit rightly so. However, in theory, it also lumps all fees together and removes the ability of the Board to respond to market forces in setting fees such as gas dock charges, transient fees, yard fees for emergency services to non-members, and so forth. Since KYC does offer certain services to the public, and expects a profit in doing so, the long-term limitations imposed by this By-Law create a disadvantage for the Club in the marketplace.

The solution is to restrict the fees cited in Article No.3 to those specifically charged to members. Article No.4 – Schedule of Fees can be expanded to include all fees the Club charges to non-members (e.g.; transient fees, catering charges) as well as those fees charged for goods and services susceptible to market forces (e.g.; regalia prices, gas dock fees, bar prices, etc.)

Recommendation No.11: Amend, separate Article No.3 (i) into two clauses and renumber as appropriate, to read:

The Directors shall, at each Annual General Meeting, present for the confirmation of the members a By-Law which they have passed to establish fees **to be charged to the members for** entrance fees, if any, annual membership fees, and fees for wet and dry mooring and yard services which are to be brought into effect on the first day of March next following.

The members may confirm, amend, reject or otherwise deal with this By-Law and thereafter no By-Law amending the said fees, including any By-Law imposing an additional assessment on the members, **shall come into in effect** until it has been confirmed at a General Meeting of the members.”

Article No.3 (i) specifically vests in the Board of Directors the authority to introduce “entrance fees, if any”. Such Fees could come in several forms.

Initiation Fees – Such ‘entrance fees’ amount to a surcharge on membership in the first year and simply present a barrier-to-entry to the Club. From the new member’s point of view, it is true that such a fee could be ‘amortized’ over the period of membership. However, in an increasingly transient population, from a new member’s perspective, the cost of an initiation fee could factor significantly on the decision to join KYC, especially if it offered no hope of acquiring equity in the Club or of being returned upon leaving, either in whole or in part.

Would such a fee be different for Full versus Associate memberships? Would it be relaxed for certain categories of membership: Junior, Non-Resident? What about Nominees? If applied equally to all new memberships, it would certainly be detrimental to the success of KYC programs such as Adult Learn-to-Sail, for example, and could be ungainly to manage if a separate schedule of initiation fees was established for each category.

At a time when new memberships and broad public interest in the Club are being actively cultivated, such a levy could easily foster a perception of exclusivity in the eyes of the public. This could only impact negatively on these initiatives.

Within Article No.3 (i), the Board of Directors is currently empowered to institute such a fee, if it so wishes, subject to ratification by the Members at a General Meeting of the members.

Recommendation No.12: The Committee makes no recommendation for further change to the Article No.3 (i).

Article No.4 – Schedule of Fees

Article No.4 is silent on the authority to establish and set fees for goods and services provided to the members and guests of the Club, such as those for regalia, food and beverage, gas dock services, and fees for such programs as Adult-Learn-to Sail and Junior Sailing Camp, etc. As a means to differentiate from the specific fees to members in the proposed revision to Article No.3 (i), it would be prudent to establish the

authority to set such fees in a manner that allows the Board the flexibility to respond to market forces

Recommendation No.13: Amend Article No.4 to read:

“The Schedule of Fees for goods, services and programs provided by the Club (such as, but not limited to: KYC Regalia, Learn-to-Sail Programs, Catering, Bar Service, and Transient Mooring) shall be as may be proposed from time to time by the Director responsible and ratified by the Board of Directors.”

On the Issues of Raising Capital and Improving Cash-Flow -

From time to time, there has been significant debate over the merits of requiring that members purchase share equity in the Club or demanding that members take out a debenture as a stipulation of membership. Discussion has also examined the notions of raising funds by means of a special levy on the members, re-establishing initiation or ‘entrance’ fees and introducing minimum chits for food and beverages as ways to raise capital for projects and minimize revenue losses for services to the members.

Share Equity in the Club - As established in the Letters Patent by which KYC was incorporated in 1916, “The Corporation shall be a Corporation without share capital”. As such, it would not be legally possible to require a member to purchase share equity in the Club without revisiting the act of incorporation; an action that would be highly discouraged by this Committee.

Recommendation No.14: The Committee makes no recommendation for change to the Letters Patent.

KYC Debentures - A debenture issued by KYC would effectively be for an unsecured loan of a fixed amount of money to the Club by a member. Ostensibly, it would carry with it an undertaking that the debenture holder would receive a fixed return over time, usually based on interest rates, plus the return of the principal amount whenever the debenture matures. Debentures have frequently been used as a mechanism for raising funds to build or finance sports or leisure venues, and often pay little or no interest, but entitle the holder to privileges, usually access to the venue.

In a case recently before the courts, the Quebec Superior Court ruled against the demand by holders of Bell Canada Enterprises debentures that their interest in the company, by virtue of their debentures, should be addressed as BCE was to enter into a

relationship with new owners. The interests of debenture-holders fall behind those of shareholders and holders of secured loans such as mortgages.

Requiring a member to subscribe to a KYC debenture would effectively raise the barrier-to-entry for membership in the Club which is now established solely by membership fees. Furthermore, in a time of relatively low interest rates for other instruments, it would initiate unnecessary obligation and indebtedness for the Club.

Minimum Chits - The notion behind establishing a minimum chit is that, by introducing a monthly (quarterly?) 'use-it-or-loose-it' balance on a member's account, the member will be encouraged to frequent the Club more regularly and, in doing so, make more use of the Club's Food and Beverage Services, which we recognize are having difficulty operating at a profit. The impact of such a fee would simply be to raise the annual cost of membership for those who, already, do not frequent the Club very often. A \$25.00 per member monthly levy (i.e.; \$300.00 /year /member) is effectively a 60% increase in the cost of a Single Membership and more than doubles the cost of an Associate Membership. (Albeit, such a levy could also be perceived as merely prepaying one's annual bar bill.)

With roughly 300 adult memberships (a number rounded-down to make the arithmetic easier), a \$25.00 per month minimum chit per membership could potentially yield as much as \$7,500/month (\$90,000/year) in guaranteed revenues. However, in reality, the net revenues so generated would be substantially less. The possible outcomes of instituting a minimum chit are fivefold:

- (i) No impact on those members whose expenditures already exceed the value of the minimum chit - zero gain to the Club;
- (ii) More frequent use of the Club by those members who frequent the Club but whose expenditures are less than the minimum - marginal gain to the Club;
- (iii) More frequent use of the Club by those members who, heretofore, have rarely frequented the Club - potentially a large net gain to the Club if their expenditures exceed the minimum chit;
- (iv) No change in use of the Club by those members who, heretofore, have rarely frequented the Club - nominal gain to the Club of no more than the amount of the minimum chit for such members;
- (v) Members respond to this barrier-to-entry by not renewing their membership - potentially a significant net loss to the Club.

It is beyond the mandate of this Committee to undertake the socio-economic analysis necessary to determine the relative elasticity of demand for membership at KYC that would be required to determine whether implementing a minimum chit would prove to be beneficial to the Club. The Committee does offer the caveat that a minimum chit may well be perceived by a certain (and potentially large) proportion of the current

membership as a sudden and significant rise in the effective barrier-to-entry that is created by any membership fee. It should be expected that, if instituted, each individual member will reflect upon the relative change in the cost of his or her membership in KYC in terms of benefits gained – and act accordingly.

By Articles No.3 and No.10 of the KYC By-Laws, the Board of Directors is enabled and directed to propose any of several means to raise capital and increase cash-flow through either a 'one-time levy', 'on-going' increases to the existing fee structure, or implementation of new fees. The caveat is that any such motion must be ratified by the Membership before it can be implemented.

Recommendation No.15: The Committee makes no recommendation for change to the intentions of Article No.3 or Article No.10 in regards to the tools available to raise capital or increase cash flow.

Please note: There is further reference to the means available to the Club to raise capital in the marketplace in Article No. 10 – Powers of the Board of Directors, on Page 30.

Article No.5 – Termination and Suspension of Membership

Article No.5 establishes the criteria by which membership may be suspended or revoked and lays the responsibility and authority firmly in the hands of the Board of Directors with no further recourse for the member. In a recent court case in British Columbia (*Struchen v. Burrard Yacht Club*), the BC Court of Appeal ruled that the disciplinary process should provide the degree of fairness provided by law and that, in the context of a voluntary association, an individual facing discipline is entitled to the opportunity to be heard by an unbiased decision-maker.

A termination or suspension of membership at KYC for reasons other than for monies owing to the Club, would inevitably involve the (heated) discussion of differing points of view between the Member and the Commodore and/or the Board of Directors. It has been suggested that, given the potential gravity of such a situation and given the need to be both fair and seen to be fair, as the last point of appeal, a member suspended or expelled for such cause should have the right to petition the membership as a whole for ratification of, or redress following the Board's decision. This is no small point.

At this point in time, KYC members do not have capital shares nor does KYC require a debenture or entrance fee upon election to membership, thus expulsion does not bring with it any loss of property. An expulsion does, however, come as a result of a breach of contract – in failure to observe the rules inherent with membership (i.e.: KYC's By-Laws, Policies and Regulations). Within Article No.5 (iv), as currently written, there is

reasonable opportunity for an individual threatened with expulsion to be heard by “being notified of the charges against (him or her) and being given the opportunity to be heard by the Board at a meeting called for that purpose.”

Furthermore, it is not impossible for the circumstances surrounding an individual thus expelled to be aired before the membership. Any one member may raise the issue at an Annual General Meeting simply by asking a question of the Chair. Similarly, any twenty-five members in good standing may petition the Board of Directors to call a Special General Meeting (which, in Article No.22 (i), it would therefore be obliged to call) to discuss the issues involved. It seems reasonable to the Committee that, should his or her case have any merit, an individual so expelled should be able to solicit the aid of at least one member to raise the issue before a meeting of the members. If, following discussion at a General Meeting, the members, in their wisdom, would like to reinstate the individual in question, a simple majority in favour of a motion to do so, would see this accomplished.

Recommendation No.16: The Committee makes no recommendation for change to Article No.5 in this regard.

Article No.5 (v) currently sets out when and how a member delinquent in his or her accounts can be ‘posted’. However, it is not sensitive to the advances in accounts management that have come into play at the Club since the advent of the credit policy now in force.

Recommendation No.17: Renumber and amend old Article No.5 (v) into Article No.5 (vi) to read:

“If the membership fee of any member is not paid by the first day of May, the Board of Directors shall forthwith post the name of such member and the amount due in the Clubhouse. Such members shall not be entitled to exercise any rights or privileges of membership while such default continues. The Board of Directors may terminate the membership of any member who continues to be in default on the thirty-first day of May.”

Recommendation No.18: Amend the second portion of old Article No.5 (v) into Article No.5 (vii) such that it will read:

“The names and amounts owing of any members who are **more than sixty-five (65) days** in arrears in respect of any other payment due by them to the Club shall be posted in the Club and such members shall be deemed not to be in good standing and shall not be entitled to exercise any rights or privileges of membership while such arrears continue.”

Recommendation No.19: Amend old Article No.5 (vi) into Article No.5 (viii) such that it will read:

“If the amount owing is not paid within **thirty-five (35) days of the statement on which it first appears, an interest charge shall be levied at a rate determined from time to time by the Board of Directors, **and shall continue to be charged, monthly, so long as the indebtedness continues.**”**

Article No. 7 – Board of Directors

Article No.7 (ii) now begins: “Directors shall serve without remuneration for acting as such ...,” In February of last year, a discussion paper that examined the matter, entitled “Conflict of Interest Policy for the Kingston Yacht Club and a Related Policy to Guide the Purchasing of Goods and Services”, was submitted to the Board of Directors. Quoting directly from the discussion paper: traditionally, this has been taken to mean that there should be no compensation of any kind to any member of the Board of Directors for any services rendered; nor has any recompense above retail cost been made for materiel provided. It has also been usual that if a Club member (not being a member of the Board) has been asked to provide a service or some materiel which it is known he or she could provide, that member has been duly compensated.

To some degree, this has imposed a double standard on the Board of Directors: where the time and professional expertise of a member of the Board has been utilized in service to the Club, the expectation has been that it be done free of charge. That expectation has not been made of Club Members, *per se*. In the recent past, examples of such services have been those of an engineer, a financial officer, a lawyer, an impresario, a haberdasher, a merchant, a commercial real estate manager, a web designer, a computer technician; and the list goes on. Many Board members have been successful entrepreneurs who have brought their significant and varied expertise to the table, and have done so willingly “without remuneration for acting as such”. In a countless number of such incidents, the Club has benefited from this arrangement.

However, in recent years, there have been several instances where a member of the Board of Directors has been in a position of real or perceived conflict of interest between his or her personal or professional life and his or her fiduciary responsibility to the Kingston Yacht Club. This really should not be an unexpected turn of events. Traditionally, those who step forward to volunteer their time and expertise in service to the Club come from the business or professional world, and it is precisely because of their success in these environments that they have been sought-out and encouraged to serve on committees and to stand for election to the KYC Board of Directors.

This state of affairs is compounded by the facts that:

1. The nature of the goods and services KYC is interested in utilizing is often quite specialized;
2. Because Kingston is a small community, there are a relatively few number of firms that provide these goods and services in the city;
3. In large part, the providers of these good and services in the community are often Club members.

It should come as no surprise that members of the KYC Board of Directors 'wear many hats' (to use the vernacular) and that such situations are often unavoidable. It follows that occasions will inevitably arise in which there is a real or perceived divergence in the interests of the Club and the personal or professional interests of a Board member. Making certain that the Club is organized to properly deal with such an occurrence is central to ensuring the Board is seen to function in an ethical manner. Difficulties have arisen in the past, not because members have acted unethically, but because no clearly defined set of expectations of behaviour has heretofore been either formulated or established in policy to guide them in such an instance; neither has there been an accepted process and procedure put in place to help people manage their way through tricky situations when they occur.

In light of these events, the Board developed and, in February 2008, adopted a 'Conflict of Interest Policy for the Kingston Yacht Club' and 'A Policy for the Purchase of Goods and Services by KYC' to guide its members in their conduct, which are presented in Appendix No.3.

This Committee believes the issue is satisfactorily interpreted and adequate safeguards are established with these policies. The action required herein is to separate the notion from the complex sentence in which it now appears, add a sentence to clarify the point and let it stand as a distinct clause within Article No.7.

Recommendation No.20: Separate and amend Article No.7 (ii) into two separate clauses, such that they will read:

"Directors shall serve without remuneration for acting as such. In the performance of the duties of their elected office, Directors shall, at all times, act in the interests of the Club, without financial compensation or material gain."

And:

"Directors and their heirs, executors and administrators and estate and effects shall be indemnified and saved harmless out of the funds of the Club from and against all costs, charges and expenses whatsoever that they sustain or incur in or about any action, suit or proceeding that is brought, commenced or

prosecuted against them for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by them, in or about the execution of the duties of their office and from and against all other costs, charges and expenses that they sustain or incur in or about or in relation to the affairs thereof, except such other costs, charges and expenses as are occasioned by their own willful neglect or default.”

Article No. 10 – Power of Directors

Article No.10 (i) bestows the necessary authority upon the Board of Directors to create the infrastructure, rules and regulations required to run the Club, to create committees, fill vacancies, to borrow money and to enter into contracts. Nowhere does it actually state, positively, that the Board of Directors shall have the right to enact By-Laws. Although, that right is recognized in Article No.3 – Membership, Yard and Mooring Fees: “The Directors shall, at each Annual General Meeting, present for the confirmation of the members a by-law which they have passed”; and again in Article No.32 – Amendments to the By-Laws: “The Board of Directors may vary or rescind any section of these by-laws, or enact new by-laws...”. In the name of consistency, the Board of Directors’ right to enact By-Laws should be formally established.

Recommendation No.21: Amend and renumber Article No.10 (i) to read:

“The Board of Directors shall be responsible for the government and management of the Club and of its affairs, finances and property and shall have the power:

- a. **To enact new By-laws and to vary or rescind any section of these By-Laws, subject to the limitations prescribed by the articles entitled: “Membership, Mooring and Yard Fees” and “Amendments of the By-Laws”, contained herein.**
- b. To appoint such officials and standing committees as it may deem advisable, and to prescribe their duties. The action of such officers and committees shall be at all times subject to the Board's revision and control.
- c. To fill vacancies that may occur in any office and to appoint or dismiss, at pleasure, any officer or servant of the Club.
- d. To make rules and regulations for the proper management and control of the Club's affairs, and to authorize such rules and regulations as may be made by any of its committees and to enforce due observance of the By-Laws and any of such rules and regulations and to enforce and prescribe penalties.
- e. To make and execute contracts on behalf of and in the name of the Club or to authorize its officers or committees to do so.”

Article No.10 (ii) states that the “Directors may by resolution, borrow money on the credit of the Club, or charge, mortgage, hypothecate or pledge all or any of the Club's real or personal property to secure any money borrowed or other debt, obligation or liability of the Club”. Furthermore, **Article No.10 (iv)** specifically mentions “bonds, debentures, deeds, mortgages and other securities, instruments”. The Board of Directors is thus empowered to raise capital from the marketplace if it deems it to be in the best interests of the Club. Recall that it is also empowered in **Article No.3** to propose ‘entrance’ and annual membership fees.

Recommendation No.22: The Committee makes no recommendation for change to the authority as bestowed or intended within Article No.10 (i) to (iv).

Article No.10 (iv) specifies that “All bills of exchange, promissory notes, cheques and orders for the payment of money on behalf of the Club shall be signed by any two of the Signing Officers of the Club.” Article No.10 does not speak to contracts for employment or agreements and letters of understanding to define the relationships between entities holding Corporate Memberships and the Club (e.g.: Queen’s Sailing, Able Sail Kingston and CORK). While the notion of two KYC signators is implicit in the wording of Article No.10, the requirement, which is a matter of corporate law, is not stated explicitly. Also, it is known that this requirement has not always been met.

Recommendation No.23 Expand the complex clauses in Article No.10 (ii) , (iii) and (iv) into six more succinct clauses and add clauses (viii) and (ix) such that it will read:

“The Directors may by resolution, borrow money on the credit of the Club, or charge, mortgage, hypothecate or pledge all or any of the Club's real or personal property to secure any money borrowed or other debt, obligation or liability of the Club.

And:

The Board of Directors shall cause all monies of the Club to be deposited into the Club's bank account in the amount received by the Club. The bank of the Club shall be the bank so designated, from time to time, by the Board of Directors.

And:

“No contract shall be entered into and no liability or obligation incurred on behalf of the Club by any person, member or committee except such as may be made, incurred, authorized or confirmed by the Board of Directors. No payment of any amount or obligation by or on behalf of the Club shall be made except on the authority of the Board of Directors”.

And:

“Notwithstanding the foregoing, the Board of Directors shall not enter into any agreement for the acquisition or conveyance of any interest in land, except for:

- a. The granting of a right-of-way over the Club land or the acquisition of a right-of-way over adjoining land; or,
- b. The granting or acquisition of any other interest which is for a period of not longer than three years, unless the terms of the agreement have been first approved by a majority vote at a General Meeting of the members. “

And:

“All bonds, debentures, deeds, mortgages and other securities, instruments, or documents requiring the signature of the Club shall be signed by any two (2) Signing Officers of the Club and the Corporate Seal of the Club may be attached as occasion may require.”

And:

“All bills of exchange, promissory notes, cheques and orders for the payment of money on behalf of the Club shall be signed by any two (2) Signing Officers of the Club.”

And:

“All contracts for employment by the Club shall be signed by any two (2) Signing Officers of the Club and the reporting Director.”

And:

“All agreements, letters of understanding or other such undertakings to make safe a Corporate Membership, shall be signed by the Commodore and any one (1) other Signing Officer of the Club.”

Article No. 24 – Guests of Members

Article No.24 lays out the process, procedure and limitations whereby members can bring their guests to enjoy the Club. This By-Law would be more appropriately appear in the membership section.

Recommendation No.24 Amend the By-Laws to move Article No.24, in its entirety, to follow Article No.5.

Article No.26 – Colours

Article No.26 describes, in four clauses, the symbols that are to be used to represent the Kingston Yacht Club. Article No.26 (i) simply names the Club colours to be navy blue and white.

Article No.26 (ii) describes the ‘distinguishing signal of the Club’, also known as the Club Burgee, to be “a triangle flag with a navy blue Saint George’s cross on a white ground, and with the letters KYC thereon in gold ...”, but it does not actually describe the relative dimensions of the cross or the style of the lettering. Strictly speaking ‘Saint George’s Cross’ is defined to be: “whyte arms with a red crosse”, that is a white background (or ‘arms’) with a red cross. [Authority: The Golden Legend. London: Wynken de Worde for R. Pynson, 1507 as cited in Glossary of Terms used in British Heraldry. Oxford: J. H. Parker, 1847; Flags of the World. Frederick Warne and Co., London and New York: H. G. Carr, 1961]. While intuitively reasonable, a ‘navy blue Saint George’s Cross’ is actually without definition and thus, legally, the poor wording of the description could become significant.

Recommendation No.25 Amend Article 26 (ii) to read:

“The distinguishing Signal of the Club shall be a triangle flag with a cross of navy blue on a white ground, in the manner of a Saint George's Cross, and with the *sans serif* letters “KYC” thereon in gold, its hoist to be two-thirds of its fly and the cross to be 1/5th of the height of the flag wide.”

Article 26 (iii) describes, in one complex clause each of the four Commodores’ flags (Commodore, Vice, Rear and Past) to be swallow-tailed flags designed in the fashion of the Club Symbol with an array of balls used to designate each rank.

Recommendation No.26 Expand the complex clause in Article No.26 (iii) into four succinct sections such that it will read:

“The Flags of the Officers of the Club and of the Past Commodore shall be as follows:

- a. The Commodore's flag shall be a swallow tail pennant, white with navy blue cross as above.
- b. The Vice-Commodore's flag shall be the same as the Commodore's flag, except that it shall have one navy blue ball in the upper canton of the hoist.

- c. The Rear-Commodore's flag shall be the same as the Vice-Commodore's flag except that it shall also have one navy blue ball in the lower canton of the hoist.
- d. The Past-Commodore's flag, which may be displayed by all Past Commodores, shall be the same as the Commodore's flag except that it shall have one gold ball in the upper canton of the hoist.

Article 26 (iv) similarly, describes the Club "Device" to be what we currently recognize to be the KYC Emblem, and specifies its use to be for "cap badges and other suitable items of wearing apparel". In recent years the KYC Emblem has been held in reserve for use on blazers and Club Ties and Scarves. Generally, it has been the KYC Burgee that has been utilized for KYC caps and golf shirts and pullovers. It is proper that, as part of the 'branding' of KYC, and to laying claim to the Signal, Device and Flags as copyrighted symbols, their design and restrictions on their use should be set; however, stipulating possible uses should be a matter of policy, not by-law, and establishing copyright is a matter of law.

Recommendation No.27 Amend Article No.26 (iv), such that it will read:

"The Club "Device" shall consist of a fouled anchor surmounted by the letters KYC, the whole encircled by two blended branches of maple leaves."

As well as defining the symbols of the Club, it would be prudent to formally claim ownership and copyright for the Club Signal (KYC burgee), the Commodores' Flags (Flags' swallow-tail pennants) and the Club Device (the KYC emblem), and to ensure their use is reserved for the benefit of the Club and its members, in accordance with (as yet to be) established Club policies and with the permission of the Board of Directors.

Recommendation No.28 Add two clauses Article No.26 to read:

"All Club symbols, including the KYC Device (the KYC emblem), the KYC Signal (the KYC burgee) and the Commodores' Flags (the Flags' pennants), and intended depictions thereof, shall be the property of the Kingston Yacht Club. All rights to their use are reserved.

And:

"The use and display of all Club symbols shall be for the benefit of the Kingston Yacht Club and its Members, in accordance with Club policy and only with the permission of the Board of Directors."

II - Material Changes to the Current By-Laws:

Article No. 1 - Membership

Article No. 1 (vii), newly revised as Article No.1 (iv) [as found on Page 17, herein] defines the 'Family' category of Full Membership as being for a cohabitating "couple (Member and Nominee) plus their children who are under 19 years of age".

Increasingly, the realities of life in the Western World have brought members of the extended family into the household; aged parents are often as dependant on members for food and lodging as their dependant children. Similarly, adult children (i.e.; those over the age of 19 years) are often dependent upon their parents for food and lodging, despite the fact they do not dwell in the same residence - children away at college or university are an example. Is it not reasonable to expect that all dependent members of a Family Member would be welcome at the Club? It is the opinion of this Committee that the umbrella of Family Membership should be relaxed and broadened to recognize and encompass all dependents of a Family Member. In this, it is also expected that each dependent being nominated for such membership will be considered, individually, by the Board of Directors.

Article No. 1 (viii), newly revised as Article No.1 (iv) [as found on Page 17, herein] similarly defines Single Membership to be one for an individual. Should these same rights and privileges not be extended to a Single Member under similar circumstances? Consider, for example, a single parent with such dependents.

Recommendation No.29: Amend newly revised Article No.1 (iii) to read:

"Single Membership: A Single Membership is comprised of an individual **and his or her dependants (adult and child, who may or may not be co-habiting)** who have been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. A Single Member may exercise one (1) vote at General Meetings of the members."

And, insert into newly revised Article No.1 (xv-b):

"For a Single Member, the right to nominate his or her dependent children to be affiliated with his or her membership;"

Recommendation No.30: Amend newly revised Article No.1 (iv) and add a clause to Article No.1 (xv) to read:

"Family Membership: A Family Membership is comprised of a Family Member and his or her named Nominee Member who are a co-habiting couple,

and their dependents (adult and child, who may or may not be co-habiting) who have been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. A Family Member may exercise one (1) vote at General Meetings of the Members.”

And:

“Rights and Privileges of an affiliated Member who has been nominated as a dependant include, but are not limited to the rights and privileges of an Associate Membership, with the exception of: the right to nominate additional Membership Nominees; and, the right to accumulate five (5) membership points for every year of continuous membership.”

Article No.1 (ix) refers to Life Membership, but it is not well defined. Currently, the criteria to determine how Life Members are nominated are in the hands of a council of the Past Commodores. While no disrespect to the Past Commodores is intended, this process smacks of secret society or ‘old-boys club’ and is not appropriate. Life Membership is the highest honour KYC can bestow upon its members. The process by which this happens should be transparent and enshrined in the By-Laws.

The value in this will also become further apparent with a later discussion of what has come to be implied by the term ‘Senior Members’.

Recommendation No.31: Amend the newly revised Article No.1 (v) [as found on Page 17, herein] to read:

“Life Membership: A Life Member is one who has been elected to the rank by a unanimous vote at a General Meeting of the members. **The names of Members to be nominated for Life Membership shall be recommended by a unanimous resolution of the assembly of Past Commodores and proposed by a unanimous vote of the Board of Directors. Notice of such proposals shall be given with the notice calling the meeting.**

- a. **To be elected, a Life Member will:**
 - i. **Be a member in good standing; and,**
 - ii. **Have a history of prolonged, active and distinguished involvement in the Club.**
- b. A Life Member shall hold the rank during his or her lifetime or until his or her resignation from the Club.
- c. **There shall be a maximum of ten (10) living Life Members; however, there may be fewer.**
- d. A Life Member **shall have the rights and privileges of Family Membership.**
- e. Life Members are not liable for the payment of membership fees.

- f. In the event that the Nominee of a Life Member is predeceased by the Life Member, the rights & privileges of a Single Membership shall be extended to the Nominee Member during his or her lifetime and that, as a courtesy, this special membership shall attract no annual membership fee.”

Article No.1 speaks to Membership Points as the currency by which the Club’s resources, such as wet moorings and boatsheds, are allocated among members – all other things being equal, longer membership in the Club yields more points and higher priority on a waiting list. Above all, KYC is a social club and on more than one occasion two members have come together to form a co-habiting partnership which has often had an impact on the category of membership the couple would choose to hold. Two Single or Associate Members might wish to become Family, Associate or Senior Members with their respective Nominees.

Currently, upon changing their membership structure to that of a couple, the membership points which have accrued to one of the two members (ostensibly, the one who becomes the Nominee) become forfeit. Similarly, upon the dissolving of such a relationship, the By-Laws do not speak to the re-allocation of membership points should both members decide to retain membership in KYC. This Committee would seek to remedy this oversight.

Recommendation No.32: Add a clause to Article No.1 to read:

Aggregation and Disaggregation of Membership Points:

- a. **In the event of the amalgamation of two heretofore separate memberships, into one Membership with an affiliated Nominee Member, all Membership Points previously accumulated by both memberships will be aggregated and ascribed to that Membership.**
- b. **In the event of the dissolution of a Membership with an affiliated Nominee Member and both members retain separate Memberships in the Kingston Yacht Club, unless otherwise agreed-to in writing and filed with the KYC Office, the Membership Points having accrued to their previous Membership will be divided equally between them.**

Article No. 6 – Officers of the Club

Article No.6 (ii) states that “the Office-Manager or Secretary-Manager may also be a Signing Officer”. As of 2007, the Office Manager has been authorized, with certain limitations, to sign cheques of up to \$2000.00 in value. This has served to ensure that

regular accounts and part-time staff will be paid at times when three of the signing-officers have been unavailable.

The question was raised as to whether the Office Manager (or a Secretary Manager, if employed) should to be permanently named as a signing officer in the By-Laws (i.e.; should we change the word "may" into "will?"). This Committee believes the right to be a signing officer of the Club is a right earned and that the current wording in this clause of the article instills the flexibility that will undoubtedly be required to address this issue, from time to time.

Recommendation No.33: The Committee makes no recommendation for change to Article No.6 (ii).

Article No. 7 – Board of Directors

In recent years, the KYC Board of Directors has been organized into a two-tiered group consisting of the Commodore, Vice-Commodore, Rear-Commodore and Director of Finance who, together, comprise the executive; four more Directors, each with a specifically named portfolio (Sailing, Entertainment, Learn-to-Sail and the Harbourmaster); three Directors-at-Large who manage specific portfolios that have been developed as needs require (lately, that has been House, Property and Membership); plus the Junior Past Commodore, who sits *ex officio*. The management of the Club as a whole and the supervision of each portfolio are very full, hands-on, voluntary jobs. At this point in time, the overall number of directors (12) seems appropriate; although in years past, the Club has had a Board totaling only nine.

From time to time, there has been discussion about designing greater flexibility into the structure of the Board of Directors in order to permit the talents of Board members to be deployed in a fashion that would more effectively manage the changing range of tasks the Board has come to face over the years. There is great merit in being able to do so without having to amend the By-Laws with each reconfiguration of portfolios in order to accommodate the changing array of tasks as they come to be identified. Indeed, in 2008/09 the portfolio of House was divided along its mechanical and staff managerial lines, with the respective responsibilities being reallocated to the portfolios of 'Property' and 'Entertainment', which then became 'Plant & Property' and 'House & Entertainment'. This allowed the Director-at-Large portfolio thereby released to be reconfigured and filled with energetic talent that now represents areas of growing importance to the life of the Club which, heretofore, had not been as well represented at the Board level: the Adult Learn-to-Sail and Community Club programs, and the growing member-driven Cruising initiatives.

It can be argued that, since Directors-at-Large are elected as a group without individual portfolios, as is stipulated in the By-Laws, Members are not provided the opportunity to elect an individual with the mandate to undertake a given task, or set of tasks. Similarly, that process fosters (quite erroneously) the apparent creation of a class of senior and junior directorships – a classification that does not acknowledge the considerable amount of work that comes with any of the ‘at-Large’ directorships.

The process for electing Directors-at-Large, as stipulated in the By-Laws, has been to nominate all candidates for the three positions of Director-at Large on a single ballot. While it is not stipulated in the By-Laws, for the past few decades, it has been ‘form’ to qualify each candidacy as being “with an interest in” a given portfolio (e.g.: “Nominated by Member X and seconded by Member Y, the name of Member Z, with an interest in Membership”). While this is a means to ensure that a candidate stands for a given ‘at-Large’ portfolio, this practice actually breaks from the intentions of earlier By-Laws that would have seen a group of Directors-at-Large elected to the Board without portfolio, and the responsibilities of these directors discussed and agreed-to by the Board of Directors, *post*-election.

The flaw in this process is that, with the current configuration of the KYC Board of Directors, which places an expectation of ‘hands-on’ management of portfolios, the Members are not assured that each group of tasks, as aggregated into portfolios, is actually undertaken by the best person for the job! [Say, for example six members stand for election as Directors-at-Large: three (A, B, & C) are interested in ‘Membership’, two (D & E) are interested in ‘Property’ and one (F) is interested in ‘House’. Currently, on the ballot, only three can be elected. What if candidates A, B & F are elected? It is not at all certain that the vital responsibilities of Property would be handled well by someone who did not agree, *a priori*, to undertake that function.

One means to ensure the tasks grouped under a portfolio are undertaken by an individual willing to do so is to name the portfolios for each directorship in the By-Laws; that is, in the 2007 instance, to name the directorships of Membership, Property and House. To do so, however would build such rigidity into the By-Laws that the Board of Directors would need to come to the membership each time it sought to restructure the composition of the Board’s directorships to meet new needs as they evolved.

The importance of this particular point became extremely apparent during the run-up to the elections during the 2008 AGM. During 2007, it became apparent that the initiatives recently developed to support the Adult-Learn-to-Sail, Community Club and Cruising programs could have been better represented at the Board table. Had the rigidity imposed by having all the portfolios named in the By-Laws been in force, it would have been exceedingly difficult to reconfigure the Board to better serve the

members. The flexibility available through 'designer-directorships' (aka: Directors-at-Large) has immense value in the efficient and effective management of the Club.

To drive this point home, simply consider the following incomplete list of programs and committees that have been struck by the Board of Directors, from time to time - admittedly, not always as a full Director's portfolio but, at all times, at least one Director's responsibility:

- The By-Laws Review Committee
- The Communications Committee
- The Community Club Committee
- The Corinthian Fund Committee
- The Cruising Committee
- The Entertainment Committee
- The Finance Committee
- The Harbour Committee
- The Heritage Committee
- The House Committee
- The Human Resources Committee
- The Plant & Property Committee
- The Adult Learn-to-Sail Committee
- The Junior Learn-to-Sail Committee
- The Long-term Planning Committee
- The Membership Committee
- The Measurement Committee
- The Model Boat Racing Committee
- The Nominating Committee
- The (named) Regatta Committee (e.g.: The EYC at KYC Committee)
- The Sailing Committee
- The Women-in-Wind Committee

... and the list goes on.

Some of these areas of interest pertain to the whole of the membership with activities on-going from year to year (e.g.: Plant & Property or Communications); others are those of interest to a smaller, yet significant cohort of members (e.g.: Community Club, Model Boat Racers and Women-in-Wind); and others still affect all members, one way or another, but only for a relatively short period of time (e.g.: By-Laws Review or 'EYC@KYC').

A Board comprised of one person to represent each of these interest groups would be cumbersome by its size, and entirely unmanageable. Still, it is important to recognize that there are key portfolios central to the functioning of KYC as a successful association of boating enthusiasts: its financial stability, the operation of its boating activities and mooring services, and the entertainment of its members. Therefore, to enhance the

desired flexibility in the Board while ensuring the Club's core activities continue to function, the Committee feels that the number of Directors-at-Large should be increased by one (up from three to four).

It could be argued that there are many more interests and activities undertaken by the Club membership that should be represented at the Board level. One case in point is the example of communicating information about Club events and activities to the members. This is actually a complex issue. The advance of media technology has presented the Club with the opportunity to expand the number of methods by which it reaches out to its members. There has been much discussion, of late, to consider the value of centralizing the responsibility of overall communications in one of the directorships; Membership seemed the obvious choice. Another thought has been to create a directorship specifically for the purpose, and name it in the By-Laws. However, information important to the members emanates from every member of the Board, from time to time. Its successful communication to the members is essential to the Club's continued vitality. Yet, coordinating its dissemination in a timely manner is a daunting task. Perhaps it is more reasonable that the mass communication of Club information should fall to the executive committee who, as a group, are often more aware of the myriad activities of the Club.

It is obvious that communications is an important Club function that the Board should not ignore. The proposed increase in Board flexibility that an additional Director-at-Large will afford should permit a Board of Directors the freedom to initiate such a portfolio in the future, should it choose to do so. If, at some point, the importance or complexity of communications in the Club lessens with respect to other more pressing issues, the sitting Board would be free to once more reconfigure the 'at-Large' portfolios to the Club's best advantage.

The Committee was asked, specifically, to consider the issue of a mandated Communications portfolio.

Recommendation No.34: The Committee makes no recommendation to formally establish responsibility for a centralized function of communication with the members in a named directorship.

It falls upon the Commodore, Flags and Directors in any given year to consider how the portfolios of the next Board of Directors might be configured to best undertake the tasks that Board will face well before the AGM. Thus, when the Nominating Committee is tasked with filling the slate of candidates for the coming elections, it will have the information necessary to identify and recruit candidates with appropriate knowledge-base and skill-sets. Furthermore, it would be incumbent upon a sitting Board to inform the Members of their concerns - and their plans to deal with them - in the report

circulated to the members that accompanies the notice of meeting for an upcoming AGM. We believe that an informed membership will make well considered decisions.

Recommendation No.35: Separate, amend and renumber Article No.7 (i) to read:

“The government and management of the Club shall be vested in a Board of Directors consisting of twelve members in good standing and entitled to vote and shall include the following:

- The Commodore (acting as President)
- The Vice-Commodore (acting as Vice-President)
- The Rear-Commodore
- The Director of Finance
- The Director of Sailing
- The Director of Entertainment
- The Harbourmaster
- Four (4) Directors-at-Large**
- The Junior Past Commodore *{ex officio - voting}*”

And:

“In the event that any one person is elected to more than a single position, sufficient additional members shall be elected as Directors-at-Large to bring the membership of the Board of Directors to twelve.”

Article No. 8 – Election of Directors

Article No.8

Article No.8 (iii) prescribes that: “Directors shall be elected in the order listed in Article No. 8 – Board of Directors and each position shall be filled by a separate election, except that Directors-at-Large, if nominated, shall be elected by a single election”. This procedure limits the ability for members to be assured that an appropriate mix of candidates is elected to fill the various duties expected of the Directors-at-Large. As well, it is a factor contributing to the notion that Directors-at-Large are on a ‘second-class’ tier of the directors.

This article also stipulates that “no nominations for any position shall be received until the result of the preceding election is declared”. In order to bring the earlier discussion of the configuration of future Board directorships to fruition, the clause should be amended such that all positions, including the Directors-at-Large, are filled by separate elections.

Recommendation No.36: Amend and expand Article No.8 (iii) into two clauses, such that they read:

“Directors shall be elected in the order listed in Article No. 8 – Board of Directors and each position shall be filled by a separate election.”

And:

“No nominations for any position shall be received until the result of the preceding election is declared.”

Article No. 8 (v) describes the procedure necessary to complete the election of ‘other directors’, that is, the Directors-at-Large, in a single ballot. To be consistent with the recommendation to have all Board positions filled by individual elections, it will be necessary to modify Article 8 (v) to make it consistent with the changes in Recommendation No.36

Recommendation No.37: Amend Article No.8 (v) to read:

“If only one candidate is nominated for any position, the presiding officer shall declare the candidate to be elected. A vote, if required, shall be by secret ballot. Upon receiving the report of the scrutineers, the presiding officer shall declare the nominee who has received the highest number of votes, to be elected.”

Article No. 11-19 - Duties of (the Directors)

Currently, **Articles No.11 through No.19** individually describe the duties of each member of the Board of Directors, with the exception of the Junior Past Commodore. It would be a small matter to aggregate them in to one Article called “Duties of the Board of Directors’, with a set of clauses set out in a manner comparable to Article 7 – Board of Directors. This is would be done to improve continuity and for ‘housekeeping’. At the same time it would be possible to expand the duties of the Board members, and thereby enshrine a little more of the spirit of cooperation and what has become the hallmark of Boards in recent years and formally reduce the potential to create the administrative ‘silos’ that plagued Boards in years now long past.

Recommendation No.38: Combine Articles No.11 through No.19 into one Article, expanded to add flexibility to the duties of the Directors, in general, and to identify, specify and describe duties for the Directorships of House, Property and Membership, and those of the Junior Past Commodore, such that it will read:

“DUTIES OF THE OFFICERS AND DIRECTORS

- (i) **Duties of the Commodore:** As President of the Corporation, it shall be the duty of the Commodore to preside at all meetings of the Club and of the Officers and of the Board of Directors and to decide all questions arising under the By-Laws, subject to appeal. Such appeal shall be sustained by a majority consisting of two-thirds of the members or Officers and Directors present. **As Senior Flag Officer, the Commodore shall sit as Chair of the Executive Committee.** The Commodore shall be an *ex-officio* member of all committees.
- (ii) **Duties of the Vice-Commodore:** It shall be the duty of the Vice-Commodore to act in the absence of the Commodore, to assist in the discharge of the Commodore's duties **and to undertake such other duties as may be agreed-upon, from time to time.** The Vice-Commodore shall be an *ex-officio* member of all committees.
- (iii) **Duties of the Rear-Commodore:** It shall be the duty of the Rear-Commodore to act in the absence of the Commodore and Vice-Commodore, to assist them in the discharge of their duties **and to undertake such other duties as may be agreed-upon, from time to time.** The Rear-Commodore shall be an *ex-officio* member of all committees.
- (iv) **Duties of the Director of Finance:** The duties of the Director of Finance shall include, but not be limited to, **sitting as Chair of the Finance Committee**, preparing an annual budget for the operation of the Club, generally overseeing financial matters and making recommendations to the Board of Directors as to the expenditure of the Club's funds **and undertaking such other duties as may be agreed-upon, from time to time.** The Director of Finance shall be an *ex-officio* member of all committees.
- (v) **Duties of the Director of Sailing:** The duties of the Director of Sailing shall include, but not be limited to, **sitting as Chair of the Sailing Committee**, organizing sailing and racing programs for the members of the Club, arranging with other yacht clubs for inter-club regattas **and undertaking such other duties as may be agreed-upon, from time to time.**
- (vi) **Duties of the Director of Entertainment:** The duties of the Director of Entertainment shall include, but not be limited to, **sitting as Chair of the Entertainment Committee**, arranging and supervising all entertainment in the Club during the year **and undertaking such other**

duties as may be agreed-upon, from time to time.

- (vii) **Duties of the Harbourmaster:** The duties of the Harbourmaster shall include, but not be limited to, **sitting as Chair of the Harbour and Moorings Committee**, supervising the allocation and maintenance of the KYC Harbour, the Club's wet and dry moorings, the operation of the Club's services to yacht owners, the operation and maintenance of power boats owned by the Club **and undertaking such other duties as may be agreed-upon, from time to time.**
- (viii) **Duties of the Directors-at-Large:** The duties of the Directors-at-Large shall **be to undertake such duties as may be agreed-upon, from time to time.**
- (ix) **Duties of the Junior Past Commodore:** **The Junior Past Commodore shall sit, *ex officio*, and shall enjoy the privilege to vote at meetings of the Board of Directors. The Junior Past Commodore shall act as an advisor to the Board and shall undertake such other duties as may be agreed-upon, from time to time. "**

Article No. 23 - Procedures at Meetings

Articles No.5, No.8 through No.11 and No.22, use the terms "present", or "personally present" which appear in reference to the right to vote. It is the intention of the Club that the use of a "proxy" by members will never be permitted, and it is the opinion of this Committee that this is as it should be. A proxy is the means by which a member who expects to be absent from a meeting authorizes someone else to act in his or her place at the meeting. It is deemed incompatible with the essential characteristics of a deliberative assembly and, ordinarily, it is not permitted unless required by a superseding law. While Robert's Rules of Order affirms that the mere absence of a clear statement in the By-Laws to permit proxy voting is sufficient [Robert's Rules of Order (10th Edition), Chapter XIII: Art. 45- Voting Procedure, p.414-415], this Committee believes it would be wise to enshrine the Members' wish never to allow proxy voting in the By-Laws.

Recommendation No.39: Add a clause to Article No. 23 to read:

"No member may authorize another person to act in his or her place at any meeting of the members."

Furthermore, it should be difficult to remove such a By-Law. It would therefore be appropriate to consider whether including a clause to limit the possibility of amending

the By-Laws that enshrines the right to vote in **Article No.32 – Amendments to the By-Laws** would also be advisable. Such an amendment is proposed in Recommendation No.49, on Page 60.

Article No. 30 – Interpretation

Definition of “dependent”: Pursuant to the earlier move to broaden the range of people who can be affiliated with a Single or Family Membership as ‘dependents’, [Recommendations Nos.29 & 30, on Pages 36], it would be prudent to sharply define what is meant by the term, here.

Recommendation No.40: Add a clause to Article No.30, to read:

“In these By-Laws, the term “dependant” shall mean any adult or child for whom the Member is responsible; such as a family member who is wholly or partly dependent upon the Member for care, attention and support for the ordinary necessities of life.

[Note: There is no requirement for co-habitation.]”

Definition of “a member in good standing”: This term appears in several places in the By-laws where it is used in the vernacular to mean that a member’s account is in order and there is no balance outstanding or monies owed to the Club. Issues have arisen at AGMs when members have been denied their right to vote because their accounts were in arrears, and they were therefore deemed not to be ‘in good standing’. In years past, it was not uncommon for members to arrive at a KYC AGM with cheque book in hand, pay their debt with great flourish, and be recognized as ‘members in good standing’. It is time to have this quaint idiosyncrasy of the Club dismissed.

In recent years, it has become possible to settle one’s account by authorizing the transfer of one’s debt to a credit card. In fact, it is currently Club policy to require a member to register a commercial credit card with the office as a pre-condition to establishing the credit privileges listed among the rights and privileges of a member. If a debt is not cleared within 60 days (we believe) it is now automatically debited from the member’s credit card.

While, over time, this has markedly improved the state of the Club’s accounts receivable, it has also created a double standard that needs to be addressed. Since the AGM is traditionally held on the last Thursday of November, which could be a many as six days before the end of the month, a member who pays his or her account monthly by authorized credit card debit may not have had the balance cleared for the month, instant, by the time of the meeting. Such a member is obviously a friend of the Club, in

that the account is regularly cleared, but is technically 'not in good standing' at the time of the meeting. Yet, historically, such a member has been deemed trustworthy, and by right of the system being in place, the member's franchise has not been revoked. Similarly, a member who regularly pays his or her account in the more traditional manner - a monthly cheque in the mail (literally) - ought not to be considered 'not in good standing' simply because it has been mailed but not yet been delivered. History would suggest that such a member is also trustworthy and a friend to the Club. However there have been instances where such members have been forbidden to vote at an AGM.

Furthermore, simply writing a cheque at an AGM (with or without flourish) does not, in fact, clear the debt - it merely established a promise on the part of the member that the cheque will be honoured and the debt will be paid. As in the scenario described earlier, historically, the right to vote has been granted to such a member; and, therefore, it must have been done on the basis of trust. (One wonders if ever a cheque so rendered has later been refused by a bank and the vote of the member has been cast for or against a motion that was passed or defeated by just one vote!)

The issue is twofold:

1. Nowhere in the current By-Laws is the term "member in good standing" defined. This could have serious ramifications if the denial of the right to vote is ever challenged in court; and
2. A conundrum has been created in that a current administrative practice that is otherwise a benefit to Club is incompatible with the need, one day a year, to have a member's account absolutely cleared. Fundamentally, this tradition has become cumbersome and, obviously, does not foster fair and equal treatment to all members.

The solution is simply to define in the By-Laws what is meant by the term "a member in good standing" in a manner that is strict about keeping a member's accounts current, but recognizes the fact that maintaining a rotating credit balance has become common practice in the modern world. This can be accomplished simply by the addition of its definition to Article No.30 - Interpretation.

Recommendation No.41: Add a clause to Article No.30 to read:

"In these By-Laws, the term "member in good standing" shall mean that the member:

- a. **Will be current in his or her accounts with no debt outstanding for more than thirty-five (35) days after the date of first billing; or,**
- b. **Will have entered into a credit agreement with the Club whereby his or her accounts are reconciled on a monthly basis."**

III - Substantive Changes to the Current By-Laws

Action upon Dissolution of the Club - aka: 'The Poison Pill'

Article No.27 - Distribution of Property upon Dissolution

Article No.27 currently states that upon dissolution, "the whole of (the Club's) remaining property shall be distributed equally among the voting members." This By-Law goes against the intent of the founding members of the Club, as they are articulated in the Letters Patent, by which the Club is incorporated, and which appear at the very beginning of the By-Laws of the Kingston Yacht Club. The relevant points are cited here:

"EXCERPTS FROM THE LETTERS PATENT: GRANTED APRIL 7, 1916

No.3: The Corporation shall be a Corporation without share capital.

No.5: The Corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the Corporation shall be used in promoting its objects."

The "objects" of the Club, or its 'objectives', are also clearly stated in the articles of the Letters Patent:

"No.2: The objects of the Corporation are to encourage the building and sailing of yachts, skiffs and canoes, motor boating, rowing, canoeing and all aquatic and other sports among amateurs."

A KYC member, and legal professional, has advised that the current Article No.27 would not survive a challenge in court should one ever be mounted. It is therefore imperative that this By-Law is rescinded and replaced with one more in keeping with the intentions of the founding members of the Club; one that will stand the scrutiny of the law.

The intention of Article No.27 is to deal with the assets of the Club upon its dissolution. The Committee advocates a position that would address that concern and, indeed, address an even greater issue: the event of a hostile takeover - ostensibly by a property developer with eyes on KYC's very desirable real estate (and, this is not a far-fetched notion!). The solution multi-fold:

- i. Make it fundamentally undesirable to dissolve the Club or sell any of its major assets, yet make it possible to do so if the vast majority of the

- members believed it was in the best interests of the Club to wind it down or to divest of one of its major assets;
- ii. Enshrine in the By-Laws the fact that KYC has never permitted 'proxy votes' – and does not want to do so any time in the future. This is accomplished now with the phrase 'and personally present', but nowhere is it stated outright. (Hence Recommendation No.39, on Page 46.)

Recommendation No.42: Amend Article No.27, to read:

“DISSOLUTION OF THE KINGSTON YACHT CLUB OR THE SALE OF ITS MAJOR ASSETS

- (i) If it is the clear decision of the members that the affairs of the Kingston Yacht Club shall be concluded or that any of its major assets (such as, but not limited to: KYC Clubhouse) shall be sold, the means by which this is accomplished must be in keeping with the Letters Patent; that:
 - a. “The Corporation shall be a Corporation without share capital”;
 - b. “The Corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the Corporation shall be used in promoting its objects”.
- (ii) Notwithstanding the article entitled: “Procedure at General Meetings”, herein, no decision to dissolve the Kingston Yacht Club or to sell any of its major real estate holdings shall be effective until it is confirmed by a majority of three-quarters of members in good standing and personally present at a General Meeting of the members that shall comprise a simple majority of all voting members.
- (iii) Upon dissolution of the Kingston Yacht Club, all Club capital assets shall be placed in the hands of the Club’s solicitors who will be charged with the liquidation and / or the distribution of these assets, as necessary.
- (iv) The proceeds resulting from such dissolution and liquidation shall first be applied to eliminate any indebtedness in accordance with the laws of the land.
- (v) The whole of any proceeds residual from the liquidation of its capital and the repayment of its debt shall be distributed among those not-for-profit organizations located within the boundaries City of Kingston which broadly subscribe to the objectives of the Kingston Yacht Club as articulated in the Letters Patent: “to encourage the building and sailing of yachts, skiffs and canoes, motor boating, rowing, canoeing and all aquatic and other sports among amateurs”.

Article No.32 - Amendments to the By-Laws

To amend a By-Law not pending (i.e., not being the first deliberation of a new By-Law under consideration for inclusion in the By-Laws), Robert's Rules suggests that unless otherwise stipulated in the specific By-Law, the motion to amend would require: a) 'previous notice and a majority of two-thirds of the voting members; or, in the least, b) a simple majority of all voting members. [Robert's Rules of Order (10th Edition), Chapter IX: Art. 35 - Rescind; Amend Something Previously Adopted, p.295-296]

As a means to ensure the foregoing amendments are maintained and to enshrine the continued existence of KYC in the Club's By-Laws, it would be prudent to compliment these By-Laws with stiffened requirements to limit the ease with which revisions could be enacted.

Recommendation No. 43: Amend Article No.32 (ii) and add one further clause to read:

*"Notwithstanding the foregoing, no amendment to limit, rescind or otherwise alter the provisions in Article No.3 (i) - Membership Mooring and Yard Fees and Article No.11 (iv) - Power of the Board of Directors, herein, shall be effective until confirmed **by a simple majority** at a General Meeting of the members."*

And:

"Notwithstanding the foregoing, no amendment to limit, rescind or otherwise alter the article entitled: "Dissolution of the Kingston Yacht Club or the Sale of its Major Assets", herein, shall be effective until it is confirmed by a majority of three-quarters of the members in good standing and personally present at a General Meeting of the members which shall comprise a simple majority of all voting members."

The Relationship between Membership and Rights & Privileges - A Bit of History:

Article No. 1 – Membership

At its inception, the membership of the Kingston Ice Yacht Club (KIYC) comprised Active Members, who were “all owners or part owners of ice yachts”, and Non-Active Members, who were not. Non-Active memberships were bestowed with “all the privileges of the Club, except voting and being eligible for office” (KIYC Constitution, 1895-’96). Active Membership was for a man who demonstrated he held the best interests in the objectives of Club at heart, by right of owning an ice boat. With it, came the right to access the Club, its property and its resources. Decisions were made by the Active membership: one man – one vote.

Active Membership became the ‘denomination of currency’ of membership in the Club: an individual was elected to membership, paid the annual membership fee (\$2.00), and was an ‘Active Member’. Non-Active Members were sponsored and elected to the rank by Active Members and paid a fee that was half that of Active memberships (\$1.00).

In short order, the Kingston Ice Yacht Club evolved into the Kingston Yacht Club, which was incorporated and granted Letters Patent. As a private Club, KYC was, and is, fundamentally a not-for-profit enterprise, largely reliant upon the revenues of its membership fees for its continued existence. It functions for the benefit of its members offering a blend of communal resources (e.g.: the clubhouse) and individual member’s services (e.g.; wet and dry moorings, boatsheds, use of the yard and marine railway, etc.). By 1922, the cost of the keeping the property and providing services had come to be met by a combination of a one time ‘entrance fee’, the annual membership fee, plus fees for services rendered on an individual ‘user-pay’ basis. An Active Member paid an entrance fee of \$15.00 plus \$10.00 *per annum* (Constitution of the Kingston Yacht Club, 1922).

Non-Active Memberships had been discontinued. However, by that time, it had become apparent that some members wanted to bring their wives and children to the Club to make use of their privately held property – their boats. Recognizing that, while a family’s draw upon the Club’s resources was more than that of a single member, it was not the same as, say, two members. Thus the basic tenet of membership was revised to include Lady Members (\$5.00/*an*) and Junior Members, with the same fee; neither category held the vote.

It is remarkable that, if a member had an interest of not less than \$500 in a yacht kept at KYC, he was exempt from payment of the entrance fee. By 1949, the cost of membership had risen by a few dollars, but the requisite value of interest in a boat had been reduced to \$150.00. Not long thereafter, the entrance fee, and thus this stipulation,

had been removed from the By-Laws. The Club was seeking members, and in doing so was removing the impediment of the 'entrance fee'.

Also, by 1949, the category of Active Membership had been broadened to include Single and Family Memberships, the latter of which could include the 'Lady Associate' and Junior Members of a household. The term Lady Associate eventually migrated to 'Nominee', and the rights and privileges of Family Membership were enhanced such that they could be exercised by a Nominee "in lieu of the nominating member". In time, the term 'Active' was replaced with the term 'Full' to infer that members within that classification received the full benefit of membership in KYC, and the notion of who had the right to a voice in the affairs of the Club thus became: one full membership - one vote.

While it might seem that the right to vote is vested solely in those who have an interest in gaining access to the Club's water-based resources (i.e.: wet moorings, boatsheds etc.), it should be noted that, in 2008, there were 200 Full (voting) Memberships: 64 Single, 124 Family, and 9 Life Memberships, plus 3 Corporate Memberships (2 votes each) - creating a total of 336 adult Members within the Full Membership classification. The Club maintains just 87 wet moorings.

In a similar fashion, it became apparent that there was interest on the part of some individuals, generally non boat-owners, to be associated with the Club in order to join in social activities with their boat-owning friends and associates. Again, membership categories were revised to permit such individuals to join KYC. As Associate Members, these members enjoyed a severely restricted set of rights and privileges. Most notably they were restricted from voting at General Meetings of the members, holding office, nominating new members or access to key resources such as a wet or dry moorings and boatsheds. An appropriate Associate Membership fee was set as a factor of the fee for Single Membership, usually about half. Associate Members were also afforded the right to nominate a Nominee Member upon payment of the related fee.

Over time, and usually in an attempt to differentiate the marketplace for membership in the Club, new categories of Associate Membership were created to attract new members and accommodate subtle characteristics of an individual's willingness to subscribe to a KYC membership. Each was afforded a slightly varying set of rights and privileges, but never with the right to vote at a General Meeting of the members. Each was offered at a slightly different membership fee, derived as a factor of a Single Membership, which was supposed to reflect the differences in the rights and privileges afforded to each category. By 2006, the fee structure had become unwieldy and cumbersome to administer, and was perceived to be fundamentally unfair since, in a practical sense, access to the Club and its social and sailing activities was universal.

Until recently, the categories of Associate Memberships have included:

- Intermediate Membership – for a youth over the age of majority, but not yet established (ostensibly, a university student)
- Non-Resident – for someone not living within the environs of Kingston
- Non-Active – for an infrequent user of Club resources who wants to retain an affiliation
- Temporary – for someone who wants to be a member for a month or two
- Introductory – a one-year only half price ‘get-them-in-the door’ initiative
- Learn-to-Sail – (pretty much self-explanatory)
- Crew – for someone interested in racing more than the social activities of the Club (this one held rights to a dry mooring)
- Social – for someone more interested in the social activities of the Club than in racing
- Senior – for someone who is 65 years of age and wants to be a member
- Honorary – free for a local dignitary with whom the Club would like to be associated; such as the mayor, the principals of city universities, the city harbourmaster, the local members of provincial and federal parliament, etc.
- Member Corporations, Corporate Members, Corporate Associate Members & their Nominees – (too complex to interpret, here)

A table listing the rights and privileges of the various classes and categories of membership following the amendments passed at the 2007 AGM is included as Appendix 2.1. Appendix 2.2 summarizes the rights and privileges of the proposed revisions to the membership classes and categories, herein.

In 2007, there was a concerted effort to consolidate the number of Associate Membership categories into one primary category (Associate) with a few supplementary categories to accommodate some special circumstances (Junior, Non-Resident, Temporary, etc.). The relative success of this initiative can be seen in the fact that, special instances aside, there are now just two adult categories of associated memberships: ‘Associate’ with a limited set of rights and privileges, and ‘Senior’, which has fundamentally the same set of rights and privileges, with the added stipulation of an age requirement. In 2008, the fees for both Senior and Associate Memberships were the same.

In 2008, there were 189 adult Senior and Associate Memberships at KYC: 50 Seniors Memberships (of these, 20 had named Nominees), 92 Associates (of these, 9 had named Nominees), 41 Non-Resident Memberships, 2 ‘grandfathered’ Non-Active and 4 independent Junior Members (i.e., Junior Members whose parents were not members of KYC) – creating a total of 185 adult Senior and Associate Members of the Club (i.e.; not counting the Juniors).

Thus, in 2008, there were a total of 531 adult members of KYC: 342 Full Members and their Nominees; and 189 Associate Members and their Nominees.

Please Note: An accurate number of all Junior Members at KYC is unavailable since, although all Junior Sailing participants are Junior Members, their names are not included on the Roster. Neither does the Club keep an accurate list of Junior Members affiliated with the Club through Family Memberships.

Senior Members versus Senior Membership

This section begins with two observations, both attributed to the Dalai Lama:

- i. “There comes a time when you should stop expecting other people to make a big deal about your birthday. That time is age 11.”
- ii. “Maturity has more to do with what types of experiences you've had and what you've learned from them and less to do with how many birthdays you've celebrated.”

From their inception, the Club By-Laws have stipulated that: “There will be two designations of membership; Full Memberships (voting) and Associate Memberships (non-voting)” [KYC, v2007; Article No.1 (iii)]. Those subscribing to Full Membership enjoy all the rights and privileges available at the Kingston Yacht Club, while the rights and privileges of Associate Members are limited in various ways. Heretofore, ‘Senior Members’ have held the more limited Associate Memberships. The category, itself, is of relatively recent origin; created perhaps 20 or 25 years ago. We know it did not appear in the 1949 By-Laws.

At the 2007 KYC Annual General Meeting, motions were introduced to rationalize and reduce the number of membership categories within the classification of Associate Memberships; from fourteen down to six. Considerable discussion about the qualifications, requirements and the merit attributed to Senior Members ensued.

To be clear: ‘Senior Membership’ is currently available to anyone who is 65 years of age and wants to be a member of KYC – nothing more [Article No.1 (xi)].

Prior to 2007, the rights and privileges of Senior Members had been very restricted, being limited to racing, use of the clubhouse, credit privileges and the right to nominate a Nominee Member upon payment of the appropriate fee. As of the 2007 AGM, Senior Members’ rights and privileges were expanded to match those of an Associate Member, as were their fees. Thus, at present, Senior Members enjoy everything but the rights to vote, stand for office, nominate members, partake in the Community Club Program or hold a wet mooring and/or a boatshed.

As well, at 2007 AGM, it became apparent that certain long-time members were attributing far more importance to the designation of 'Senior' membership than is currently defined in the By-Laws. And, there was a broad consensus across the group present that long-term membership brought with it wisdom and sensitivity to Club history that it should be recognized. This feeling was sufficiently evident among the voting members present at the time that the motion to remove the category of Senior Membership was defeated and the category was retained and ascribed the rights, privileges and, as noted, the membership fees of Associate Membership. For all intents and purposes, the two categories are now identical except in name and age requirement. As it now stands, the term 'Senior Member' does not serve to acknowledge and identify a revered member of long standing and, thus, the intentions of the members to bestow the honours due to someone who has been a part of the KYC community for a long time are still thwarted by the confusion created by this category.

It is also enshrined in the current By-Laws that Senior Members receive notification of General Meetings of the members sent to them [Article No. 21 (i)]. This has led to a certain frustration on the part of several long-time members of the Club who have chosen to subscribe to Senior Membership – they feel invited and welcome to attend and speak at General Meetings (as, by tradition, are all Members of the Club) but they do not have the privilege of casting a vote.

This has led to some discussion about simply enfranchising the Senior Membership category as it is currently described. Yet, granting the right to vote to a new member simply because he or she has attained the age of 65 years and wants to join the Club would not serve KYC as the members intend. The issue raises several questions:

- Would merely stipulating a long period of membership, as well as an age requirement suffice?
- Would the Members feel comfortable granting the right to vote to an otherwise 'Associate' Member without also providing for all the rights and privileges that come with a subscription to Full Membership?
- What of a long-time Full Member who maintains a boat in the Harbour; should it not be possible to recognize such an individual as a 'Senior' Member, as well?

The notion quickly becomes complex and still does not serve the intentions of the Members as stipulated in earlier iterations of the By-Laws. If the original objective as now set out in Article No.1 (iii) is to continue to guide the governance of the Club, in granting Senior Members the right to vote, the act of doing so is to elevate the category to Full Membership. It is problematic to do so without also granting all the rights and privileges ascribed to others within that classification (membership points, access to wet moorings, etc). If a member is to be recognized for possessing noteworthy experience at KYC, and the wisdom concerning Club affairs that should be attained over many years of either Full or Associate Membership (or some combination thereof), it is difficult to enfranchise such a member yet maintain the view that that member is less than those

who would otherwise be his or her equal. Would it be fair and reasonable, for example, to oblige a Full Member seeking recognition as being a long-term member of the Club to choose between being permitted to keep a boat at KYC or being recognized as a 'Senior Member'?

It is evident that compromise is necessary to alleviate the lack of harmony among the Members on this subject; a compromise that would address the key issues raised: to recognize a Member's long-standing and valued association with the Club, and, to continue to provide for a voice in the governance of its activities for those Members who would choose to have one.

The proposed solution is to remove 'Senior Membership' as a category of membership at the Kingston Yacht Club and institute a new privilege that would enable any Member – either Full or Associate – who has accrued 250 membership points, to have the title 'Senior' affixed to his or her membership and thereby be acknowledged by the Club to be a Member of Long Standing in the KYC community. As noted earlier, in 2008, there were 50 Senior Members – 30 Members and 20 Nominees; and, there were 130 adult Associate Members – 126 Members and 4 Nominees. As well, there were 342 Full Members; 206 Members and 136 Nominees. Acceptance of this compromise opens the door for those who have contributed to the vitality of the Club over many years to stand and be recognized. Perhaps as many as 130 Members may qualify for such acknowledgement.

It should be noted clearly that, if the following recommendation is accepted by the Members, the current category of Senior Membership will cease to exist. As part of the process, it is recommended that, *a priori*, the membership of all existing Senior Members be re-designated as Associate Memberships. While not absolutely necessary, herein, the following is included to illustrate the process that would be required to bring this notion to fruition and, at the same time, to allay the fears of any current Senior Members that their membership in the Club may be in jeopardy.

Recommendation No.44: At a General Meeting of the members, propose a motion to transfer and accept all who are currently Senior Members of the Kingston Yacht Club or their Nominees into the category of Associate Membership of the Club, such that they retain all rights and privileges heretofore ascribed.

Once this is completed, it would then be possible to proceed to the next step.

Recommendation No.45: Amend the newly revised Article No.1 to remove Senior Membership as a category of Membership [as it appears on Pages 17 through 21, herein] with the following set of actions:

- Amend all the By-Laws in both the otherwise unchanged portions of the 2007 edition and as newly revised to remove all reference to 'Senior Membership' and the rights and privileges thereof, re-numbering as appropriate.
- Amend the newly revised Article No.1 to insert a clause to follow Clause (xiv) – “Debts incurred at the Club ...” [as it now appears on Page 19, herein], such that it reads:

“Recognition of a Member of Long-standing: Use of the term ‘Senior Member’

Member of Long-Standing: Any Full or Associate Member who has accumulated 250 membership points may petition the Board of Directors to be acknowledged as a member of long-standing by having the appellation “Senior” affixed to his or her rank of membership. The term ‘Senior Member’, in itself, shall not specify a category of membership; neither shall it provide for ancillary rights and privileges of membership.”

It is worth noting that some members who subscribed to Senior Membership in 2008 may not qualify to have the title ‘Senior’ affixed to their memberships and become Senior Members, as a newly defined. These Members will, however, have been instated as valued Associate Members. Also, since the former category will have been dissolved in order to establish the new appellation, upon acceptance of the motion to institute the change, there will be no Senior Members of any sort, and those who would seek the designation will need to apply to the Board of Directors for it.

The Franchise for Nominee Members of Family and Life Memberships

It is clear that, heretofore, a voice in the affairs of KYC has been granted in terms of Full Membership in the Club: one membership – one vote. Family and Life Memberships have been bestowed with the right to nominate Nominee Members to be affiliated with the membership. In 2008, there were 136 such Nominee Members, many of whom are deeply interested in the affairs of the Club, but who remain members without a voice.

In years past, it has been argued that if a Nominee Member wanted a voice in the affairs of the Club, he or she need only seek election to a Full (probably Single) Membership and achieve with it, all the rights and privileges so ascribed. Such instances are not unknown at KYC.

However, it seems unreasonable to this Committee that the right to a voice in the affairs of the Club should be linked so directly with a category of membership alone, as opposed to an expression of interest in the Club by right of being a Full Member, and by

'showing-up' at Club meetings and functions. Many Family and Life Nominee Members make significant contribution to the character and quality of the Club by volunteering time and energy at functions and sitting on organizing committees, and as such, are indeed full Members within their Full Memberships. It is time this contribution to the Club's continued vitality is recognized in terms of the right to vote at General Meetings of the members.

Recommendation No. 46: Amend newly revised Articles No.1 (iv) [found on Page36, herein] to read:

"Family Membership: A Family Membership is comprised of a Family Member and his or her named Nominee Member who are a co-habiting couple, and their **dependents (adult and child who may or may not be co-habiting)** who have been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. **A Family Member and his or her named Nominee may each exercise one vote at General Meetings of the Members."**

As well as:

Recommendation No.47: Amend newly revised Article No.1 (xiii) [found on Page 19, herein], into three clauses to read:

"Full Membership Nominee: A Full Membership Nominee is an individual who, being part of a co-habiting couple with a Family or Life Member, has been nominated by that Member to be affiliated with his or her membership and has been elected to the rank by the Board of Directors without further membership fee. Upon election to the rank, that person shall become a Full Nominee Member **and shall enjoy the right to vote at any meeting of the members."**

And:

"Family and Life Members and their Nominees may nominate their dependants to be affiliated with their membership. Upon election to the rank by the Board of Directors, such a person shall become a Member affiliated with that Full Membership without further membership fee."

And:

"Associate Membership Nominee: An Associate Membership Nominee is an individual who, being part of a co-habiting couple with an Associate Member, has been nominated by that Member to be affiliated with his or her membership and has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. Upon election to the rank, that person shall become an Associate Nominee Member."

Recommendation No.48: Amend newly revised Article No.1 (xv) addressing Membership Rights and Privileges [found on Pages 19 to 21, herein], to include a new clause that shall read:

“Rights and Privileges of a Full Member Nominee include, but are not limited to the following:

- i. The right to exercise one (1) vote at any meeting of the members;**
- ii. Excepting the right to accumulate Membership Points, or to use a wet mooring or boatshed, the right to exercise all other rights and privileges of a Full Membership.”**

Article No.32 – Amendments to the By-Laws

Having completed this, a further amendment to Article 32 should be considered. Recall, once more, that Robert’s Rules states that a motion to amend will require: ‘previous notice and a majority of two-thirds of the voting members; or, at least, a simple majority of all voting members. [Robert’s Rules of Order (10th Edition), Chapter IX: Art. 35 – Rescind; Amend Something Previously Adopted, p.295-296]. However, since the right to vote is the foundation for the governance of the Club, it stands to reason that it should fall to a majority of all voting members to decide who can and cannot vote at a General Meeting of the members. To enshrine the right to vote in the Club’s By-Laws, as well as to permanently affix this broadened franchise therein, it would be prudent to follow through by stiffened the means by which revisions could be enacted.

Recommendation No.49: Amend Article No.32 to include two clauses to read:

“Notwithstanding the foregoing, no amendment to limit, rescind or otherwise infringe upon a member’s right to vote as described in the articles entitled: “Membership” and “Procedure at General Meetings”, herein, shall be effective until confirmed by a simple majority of the members in good standing and personally present at a General Meeting of the members which shall comprise a simple majority of all voting members.”

And:

“No motion to rescind or amend this article (“Amendments to the By-Laws”), all or in part, shall be effective until it is confirmed by a majority of three-quarters of the members in good standing and personally present at a General Meeting of the members and who shall comprise a simple majority of all voting members.”

In doing this, there are several potential ramifications to consider:

Caveat No.1: Should the recommendation to expand the franchise be accepted by the members, using the 2008 membership roster, the number of KYC members holding the right to vote at a General Meeting will rise by 136 from 206 to at least 342; that is, an increase of 66%. This will have an impact on the requirement for a quorum of “one member in five” (20%) to be present and in good standing at any General Meeting of the members.

At the 2007 AGM, quorum was 39 members present and in good standing; quorum plus one were in attendance. At the 2008 AGM, quorum was 42 members present and in good standing; at that meeting, quorum plus five were in attendance.

Acceptance of these recommendations would see the required quorum rise to 69 members. If the members believe that such attendance would not be easily attained, they should consider revising the definition of quorum in Article No.16 (vii) to a lower requirement; possibly “three members in twenty” (15%) which, using 2008 membership numbers, would translate into needing at least 52 members present and in good standing.

Procedurally, a motion to extend the right to vote to Full Nominee Members should be presented as the very last motion to be put to Members, since if the enfranchisement succeeds, quorum will automatically rise – possibly to a number over and above the new total number of voting members present. Should that occur at any time before the last item of business, the meeting would automatically lose quorum and would need to be adjourned until quorum could be reached. [Robert’s Rules of Order (10th Edition), Chapter XI: 40 – Quorum; Order of Business and Related Concepts, p.334-336.]

Caveat No.2: It should be well noted that, in accepting a motion to reduce the size of a requisite quorum, the fraction of all voting members needed to be in attendance in order to affect change in the majority of the By-Laws will fall to a relatively few.

The members will need to carefully balance their faith in the membership to regularly achieve quorum at General Meetings with the notion that, should the recommendations to broaden the voter base at KYC accede, the Club will still find itself in a position where a relatively small number of people will be in position to establish the rules of governance. Even when a requirement for a 20% quorum is barely met, if one accepts Roberts Chapter IX: Art. 35 – Rescind, etc., a motion to amend the right to vote, for example, (unless otherwise stipulate in the By-Laws) would require a majority of two-thirds of 69 (i.e.; 46 of 342, or about 13.5% of the total voting membership in favour).

Reducing quorum to 15% would have the effect of making 35 members personally present a two-thirds majority of all voting members (i.e.; 10%).

Accepting Recommendation No. 49 to stiffen the requirements to amend a motion not pending as written (i.e.; a motion to amend or rescind an existing By-Law) will tend to safeguard the right to vote by requiring that a simple majority (50% plus one) of all voting members are present and that they want to alter the enfranchisement. This is as a democracy should be: making a fundamental change difficult for a small fraction of the members to achieve; but readily possible for a clear majority of all the voting members.

It also means that winding down the affairs of the Club should be exceedingly difficult to accomplish, yet, not be impossible for a large percentage of the members. Hence the 'Poison Pill' recommendation that, to accede, a majority of 75% plus one be required, and that this majority must comprised 50% plus one of all voting members - not impossible, but clearly a requirement that such a momentous decision also be the decision of a majority of the voting members taken at a meeting where at least two-thirds of the voting members are present. Accepting the recommendations (and using a more broadly enfranchised 2008 membership roster) would mean that, in the future, at least 228 people would need to be in attendance and 75% of them (i.e.: 171+1) would need to agree that, for whatever reason, KYC is no longer viable; difficult to achieve, indeed, but not impossible.

Caveat No.3: The Partridge Room, the room in which General Meetings of the members have traditionally taken place, has a legal capacity limit of 180 persons. If the Board of Directors believes that as many as half the total number of voting members plus any number of other interested non-voting members will assemble (i.e.; 171+, in 2008), it might need to consider another venue.

IV - Tidying-Up: Re-order and Re-Number the By-Laws

The order in which the Articles of the By-Laws appear is important because an earlier Article holds precedence over one that appears later in the sequence. It is, for example, important to define membership before granting members privileges; or to name and define the composition of the Board of Directors and empower the Officers of the Club before electing people to otherwise undefined posts.

If many of the recommendations proposed by the Committee, heretofore, are accepted and enacted by the members, several of the revisions will require that the articles of the By-Laws be re-ordered and re-numbered so as to present the KYC By-Laws in a logical and coherent fashion.

Recommendations No.50: Re-Order and Re-Number the proposed KYC By-Laws such that they appear as:

Article No. 1 - Membership	[No Change*]
* Within Article No.1, reorder its clauses to define membership and its categories before granting rights and privileges; affiliating Nominee Member and dependant rights and privileges within their membership classifications, etc.	
Article No. 2 - Election of Members	[No Change]
Article No. 3 - Membership, Mooring and Yard Fees	[No Change]
Article No.4 - Schedule of Fees	[No Change]
Article No.5 - Termination and Suspension of Membership	[No Change]
Article No.6 - Guests of Members	[OLD No.24]
Move v2007 's Article 24 - Guests of Members' closer to the sections addressing membership. (Old No.6 will become No.8; see below)	
Article No. 7 - Board of Directors	[No Change]
Define the Commodores and Directors before electing them	
Article No. 8 - Officers of the Club	[OLD No.6]
Name the Officers of the Club - a legal requirement	
Article No.9 - Election of Directors of the Club	[OLD No.8]
Article No. 10 - Powers of the Board of Directors	[No Change]

Article No. 11 - Duties of (the Directors) Aggregate Nos.11-19 into one Article	[OLD Nos.11-19]
Article No. 12 - Duties of the Office Manager	[OLD No.20]
Article No.13 - Meetings of the Directors Group meetings together	[OLD No.9]
Article No.14 - Annual General Meeting	[OLD No.21]
Article No.15 - Special General Meetings	[OLD No. 22]
Article No. 16 - Procedures at Meetings	[OLD No.23]
Article No.17- Fiscal Year	[OLD No.29]
Article No.18 - Auditor	[OLD No.25]
Article No. 19 - KYC Colours, Signal, Flags and Device	[OLD No.26]
Article No. 20 - The KYC Seal	[OLD No.28]
Article No. 21 - Interpretation	[OLD No.31]
Article No.22 - Distribution of Property upon Dissolution	[OLD No.27]
Article No.23 - Amendments to the By-Laws	[OLD No.32]
Article No. 24 - Rules of Order	[OLD No. 33]
Article No.25 - Repeal of Former By-Laws	[OLD No. 31]
Date of Enactment	[No Change]
The Corporate Seal of the Club	[No Change]

V - How to Navigate the Course Forward

The proposed amendments to the KYC By-Laws recommended by the Committee are numerous, and many address complicated issues. They have been grouped into three broad areas: 'Housekeeping Issues', which should be relatively easy for the members to accept; 'Material Changes', which should have more-or-less straight-forward acceptance and require a minimal amount of discussion; and 'Substantive Changes', which represent significant deviation from the established norm, as it has come to be accepted at KYC over the years, which are therefore likely to generate more intense discussion among the Members.

It is uncertain how the Members will respond to the recommendations. To see as many as possible of the proposed amendments enacted, the Board of Directors may wish to develop a strategy as to how to proceed.

Simply because of the number and sweeping character of the recommendations being made, rather than try to accomplish the task of presenting these proposals to the members in November at the 2009 AGM, the Committee suggests the Board consider calling a Special General Meeting (SGM) of the members to address a single item agenda: Amendments to the By-Laws. It is reasonable that such a meeting could be organized and held in mid-May 2009. This would allow time to circulate this report to the membership, to allow several months for informal discussion and debate, and to permit those Members who have 'flown to warmer climes for the winter' sufficient time to have returned and be available for the meeting.

Recommendation No.51: Call a Special General Meeting of the members on or about Saturday, the 16th of May, 2009, to consider these proposed amendments to the KYC By-Laws.

The highest probability of success in this endeavour will be based in transparency and clear communication with the Members to ensure they are as informed about the proposed amendments as possible. To this end, the Committee recommends mounting this report on the KYC website and placing notices announcing its availability as well as publishing the date of the proposed meeting in the weekly KYC Knotmeter, the spring issue of the KYC Log and in posters displayed around the Club. It is important to draw out as much discussion of the issues raised in this report as is possible; and, do so well before the meeting takes place.

The Committee also recommends that the Commodore strike a committee to develop a detailed plan to map-out the proceedings of the proposed SGM.

Recommendation No.53: Strike a SGM Planning Committee with the mandate to organize and communicate with the Members about the proposed Special General Meeting.

It may be possible to see some of the recommended amendments passed in a set of omnibus motions, thereby reserving time and energy for discussion of the more thorny amendments being proposed.

Recommendation No.52: At the proposed Special General Meeting, present a set of motions, which could be as follows, to place before the members that would see the recommendations herein brought to fruition:

"It is moved by _____ and seconded by _____:

1. That the Report of the KYC By-laws Review Committee be received.
2. That, for housekeeping and maintaining the status quo, Recommendations No.1 through No.28, and Nos.33 & 34 be accepted and that the KYC By-Laws be revised accordingly.
3. That, motions No.4 through No.8, hereinafter, be passed as an omnibus motion. (*Note: Failing this, each of motions No.4 through No.8 will be considered individually.)
4. That, to allow dependents of Full Members access to the Club, Recommendations Nos.29, 30 & 40 be accepted and the By-Laws be revised accordingly.
5. That, to clarify the election of Life Members, Recommendation No.31 be accepted and that the KYC By-Laws be revised accordingly.
6. That, to permit the aggregation and disaggregation of KYC Membership Points, Recommendation No.32 be accepted and that the KYC By-Laws be revised accordingly.
7. That, to specify the nature, election, and duties of directors, Recommendations Nos.35 through No.38 be accepted and that the KYC By-Laws be revised accordingly.
8. That, to explicitly forbid proxies and define "good standing", Recommendations No.39 and No.41 be accepted and that the KYC By-Laws be revised accordingly.

9. That, to limit dissolution of the club, sale of property and amendments to key KYC By-Laws, Recommendations No.42 and No.43 be accepted and that the KYC By-Laws be revised accordingly.
10. That, to acknowledge members of long standing to be recognized as 'Senior' Members, Recommendations No.44 and No.45 be accepted and that the KYC By-Laws be revised accordingly.
11. That, to allow Full Member Nominees to vote at Meetings of the Members, Recommendations No.46 through No.48 be accepted and that the KYC By-Laws be revised accordingly.
12. That, to safeguard members' franchise, Recommendation No.49 be accepted and that the KYC By-Laws be revised accordingly.
13. That, to renumber the KYC By-Laws for clarity, Recommendation No.50 be accepted, that the By-Laws be revised accordingly, and that the KYC Board of Directors be empowered to complete such further renumbering and correct any typographical errors as may be necessary due to oversight.

At this juncture, we offer this observation:

As a central tenet to help navigate the course forward, it is important to remember that the Kingston Yacht Club is just that, a Club; and that the way in which it is organized to govern itself should reflect its history, its stated goals and objectives, and above all the wishes of its Members.

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Appendix

**Appendix 1.1: Proposed amendments arising from:
I - Housekeeping – Rationalization & Consolidation**

By-Laws of the Kingston Yacht Club

EXCERPTS FROM THE LETTERS PATENT:

GRANTED APRIL 7, 1916

1. The name of the Corporation is Kingston Yacht Club.
2. The objects of the Corporation are to encourage the building and sailing of yachts, skiffs and canoes, motor boating, rowing, canoeing and all aquatic and other sports among amateurs.
3. The Corporation shall be a Corporation without share capital.
4. The interest of a member of the Corporation shall not be transferable, and shall lapse and cease to exist when such member shall cease to be a member of the Corporation by death, by resignation or otherwise, in accordance with the by-law.
5. The Corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the Corporation shall be used in promoting its objects.

ARTICLE NO.1 MEMBERSHIP

- (i) The membership of the Kingston Yacht Club shall consist of those persons who may be admitted to the membership categories as hereinafter provided. There shall be the following categories of membership for the Club: Family Members; Single Members; Life Members; Senior Members; Non-Resident Members; Junior Members; Honorary Members; Nominee Members; Non-Active Members (Grandfathered); Corporate Members and Temporary Members.
- (ii) The Directors may pass by-laws limiting the number of members and determining additional qualifications for each category of membership.
- (iii) There will be two designations of membership; Full Memberships (voting) and Associate Memberships (non-voting).

Proposed amendment to Article No.1 (i) to read:

The Membership of the Kingston Yacht Club shall consist of those persons who may be admitted to the membership classifications and categories as hereinafter provided.

Proposed amendment to delete Article No.1 (ii)

MEMBERSHIP - CLASSIFICATIONS AND CATEGORIES

Proposed amendment to Article No.1 (iii) to read:

There shall be two classifications of membership: Full Memberships (voting) and Associate Memberships (non-voting).

- a. **Full Membership** categories shall include: Single, Family, Life and Corporate Memberships; and their affiliated Nominee Memberships, where permitted.
- b. **Associate Membership** categories shall include: Associate, Senior, Non-Resident, Junior, Temporary and Honorary Memberships; and their affiliated Nominee Memberships, where permitted.

(iv) The Board of Directors may pass by-laws limiting the rights and privileges of each designation and category of membership. Rights and privileges in the Club include, but are not limited to the following:

- a) Participation in Club races;
- b) Clubhouse privileges;
- c) Credit privileges, upon submission of a credit agreement;
- d) The right to nominate candidates for office;
- e) The right to exercise one vote at any meeting of the members;
- f) The right to stand for office;
- g) The right to nominate a Nominee Member;
- h) The right to accumulate for every year of continuous Full Membership, 10 membership points to be utilized in the allocation of facilities and services such as wet moorings and boathouses;
- i) The right to accumulate for every year of continuous Crew, Intermediate, Junior and Introductory (one year only) Membership, 5 membership points, which upon transfer to a Full Membership, may be utilized in the allocation of facilities and services such as wet moorings and boathouses;
- j) Membership in the Canadian Yachting Association;
- k) The right to access the Community Club vessels subject to an annual contribution, to be determined from time to time by the Board of Directors, for the care and maintenance of the fleet.

(v) In the event that a *Nominee Member is pre-deceased by the nominator, the *Nominee Member shall have the option of retaining their own membership points accumulated as a *Nominee Member or the membership points accumulated by the deceased nominator. The *Nominee Member shall have the option of retaining a wet mooring and boathouse held by the nominator at the time of death. These options are conditional upon the transfer by the *Nominee Member to one of the Full Membership categories.

(vi) A member who is entitled to accumulate membership points, who departs from the City of Kingston and who transfers to a Non-Resident Membership, will retain any accumulated membership points. Such accumulated membership points will be available to the Member upon subsequent transfer to one of the Full Membership categories.

Proposed revisions to Article No.1 (iv) to include:

- Access to Clubhouse and Club Property;
- Participation in Club Races and Social Activities;
- **Access to instructional sailing programs, as may be provided by the Club, upon payment of the appropriate fee.**
- Credit Privileges, upon submission and acceptance of a credit agreement;
- The right to nominate candidates for office;
- The right to exercise one (1) vote at any meeting of the members;
- The right to stand for office;
- **The right to nominate candidates for membership;**
- For Family and Life Members, the right to nominate one (1) Full Nominee Member and their dependents to be affiliated with his or her membership;
- For Senior and Associate Members, the right to nominate one (1) Associate Nominee Member to be affiliated with his or her membership, upon payment of the membership fee for this category;
- For every year of continuous Full Membership, the right to accumulate ten (10) Membership Points to be utilized in the allocation of facilities and services such as wet moorings and boatsheds;
- The right to accumulate for every year of continuous Senior or Associate Membership, five (5) membership points, which upon transfer to a Full Membership, may be utilized in the allocation of additional facilities and services such as wet moorings and boatsheds;
- **For Single, Family and Life Members, the right to use one wet mooring, subject to the Club Mooring Regulations, upon payment of an annual fee;**
- **The right to use one boatshed, subject to the Club Boatshed Policy, upon payment of an annual fee;**
- **The right to use one dry mooring, subject to the KYC Mooring Regulations, upon payment of an annual fee;**
- **The right to winter storage of a boat at KYC, subject to the KYC Mooring Regulations, upon payment of an annual fee.**
- Membership in the Canadian Yachting Association;
- The right to access the KYC Community Club Program and use KYC vessels, subject to having demonstrated a satisfactory level of sailing competency as determined by the Club.

NOTE: It is proposed that the list of Rights & Privileges, above, will be reconfigured to present the next full and associate memberships: Full Members receive all Rights & Privileges, while Associates receive a limited selection. See Below.

Proposed amendment to Article No.1 (v) to read:

In the event that a Nominee Member is pre-deceased by his or her nominator, he or she shall have the option of subscribing to a Full or Associate Membership and retaining the membership points accumulated by the deceased nominator. Upon subscribing to a Full Membership category, the Nominee Member shall have the option of retaining a wet mooring and/or boatshed previously held by the nominator at the time of death

It is proposed to move the intent of Article No.1 (vi) and include it within the description of Non-Resident Membership, below.

Full Membership Categories (Voting Memberships)

- (vii) **Family Membership**
This category is for a couple (Member and Nominee) plus their children who are under 19 years of age. The category receives one vote at General Meetings. In addition, this category has the right to accumulate for every year of continuous membership, 10 membership points to be utilized in the allocation of facilities and services such as wet moorings and boathouses. Additional privileges are the following: credit privileges; racing, wet/dry mooring, haul out, winter storage, social activities, full points, membership in the Canadian Yachting Association and such other privileges as may be developed. Family Members, having demonstrated a level of sailing competency; also have the right to access the Community Club vessels for an annual contribution to the care and maintenance of the fleet. A member in this category has the right to nominate candidates for office and the right to stand for office.
- (viii) **Single Membership**
This category receives one vote at General Meetings. In addition, this category has the right to accumulate for every year of continuous membership 10 membership points to be utilized in the allocation of facilities and services such as wet moorings and boathouses. Additional privileges are the following: credit privileges; racing, wet/dry mooring, haul out, winter storage, social activities, full points, membership in the Canadian Yachting Association and such other privileges as may be developed. Single Members, having demonstrated a level of sailing competency; also have the right to access the Community Club vessels for an annual contribution to the care and maintenance of the fleet. A member in this category has the right to nominate candidates for office and the right to stand for office.
- (ix) **Life Membership**
A Life Member is one elected to the rank by unanimous vote at a General Meeting. The names of the Life Members to be nominated at a General Meeting shall be proposed by unanimous vote of the Board of Directors and notice of such proposals shall be given with the notice calling the meeting. Life Members shall hold the rank during their lifetime or until their resignation. They shall have one vote at General Meetings and privileges the same as those allotted to the Family Membership category, including one *Nominee Membership. Life Members are not liable for the payment of membership fees.

Proposed amendment to Article No.1 (vii) to read:

Family Membership: A Family Membership is comprised of a Family Member and his or her named Full Nominee Member who are a co-habiting couple and their dependent children who have been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid.

NOTE No.1: *It is proposed that the Rights & Privileges of the various classes and categories of membership be rationalized so that there are basically two broad sets of Rights and Privileges; Full Members receiving all Rights & Privileges and Associates receiving only a limited selection.*

Note No.2 *There will be 2 further proposed amendments to the Rights and Privileges of Family Membership, which will appear in sections II and III of these appendices.*

Proposed amendment to Article No.1 (viii) to read:

Single Membership: A Single Member is an individual who has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. A Single Member may exercise one (1) vote at General Meetings of the members.

Proposed amendment to Article No.1 (ix) to read:

Life Membership: A Life Member is one who has been elected to the rank by a unanimous vote at a General Meeting of the members.

- A Life Member shall hold the rank during his or her lifetime or until his or her resignation from the Club.
- A Life Member may exercise one vote at General Meetings of the Members.
- Life Members are not liable for the payment of membership fees.
- In the event that the Nominee of a Life Member is predeceased by the Life Member, the rights & privileges of a Single Membership shall be extended to the Nominee Member during his or her lifetime and that, as a courtesy, this special membership shall attract no annual membership fee.

Associate Membership Categories (Non-voting memberships)

- (x) **Associate Membership**
Privileges of this category are the following: (a) Participation in Club races; (b) Clubhouse privileges; (c) Credit privileges, upon submission of a credit agreement; (g) The right to nominate a Nominee Member, upon payment of the Nominee Fee; (i) The right to accumulate for every year of continuous membership in this category, 5 membership points, which upon transfer to a Full Membership, may be utilized in the allocation of facilities and services such as wet moorings and boathouses; (j) Membership in the Canadian Yachting Association. In addition, an Associate Member has the right to use one dry mooring, with the payment of an annual fee.
- (xi) Senior Membership
This category is for a person who is 65 years of age or older. **Privileges of this category will be the same as those of an Associate Member which are the following: (a) Participation in Club races; (b) Clubhouse privileges; (c) Credit privileges, upon submission of a credit agreement; (g) The right to nominate a *Nominee Member, upon payment of the Nominee Fee; (i) The right to accumulate for every year of continuous membership in this category, 5 membership points, which upon transfer to a Full Membership, may be utilized in the allocation of facilities and services such as wet moorings and boathouses; (j) Membership in the Canadian Yachting Association. In addition, an Associate Member has the right to use one dry mooring, with the payment of an annual fee.**
- (xii) Non-Resident Membership
A Non-Resident Member is one who resides more than 80 km from KYC and who makes infrequent use of the Club. Students attending educational institutions in and around Kingston shall not be eligible to be Non-Resident Members. A Non-Resident membership is extended as a courtesy, and shall be subject to periodic review. Privileges are the following: identification of a *Nominee, use of the clubhouse and credit privileges at KYC. This membership is not to be used at clubs which are within 80 km of the member's residence.
- (xiii) Junior Membership
A Junior Member is between the ages of twelve and eighteen years inclusive at March 1st of the current membership year. Privileges are the following: racing, use of club house, membership in the Canadian Yachting Association and access to dry mooring. In addition, members in this category have the right to accumulate for every year of continuous membership, 5 membership points which upon transfer to a Full Membership may be utilized in the allocation of services and facilities such as wet moorings and boathouses.
- (xiv) Honorary Membership
An Honorary Member is elected to the rank by the Board of Directors for a period of time not exceeding one year. Honorary Members may be re-elected by the Board of Directors. Privileges include use of the club house and credit privileges.

Associate Membership Categories [Non-voting Memberships]

Proposed amendment to Article No.1 (x) to read:

Associate Membership: An Associate Member is an individual who has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid.

Proposed amendment to Article No.1 (xi) to read:

Senior Membership: A Senior Member is an individual who has attained the age of sixty-five years, has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid.

Note No.3 *There will be a further proposed amendment to the Rights and Privileges of Senior Membership, which will appear in section III of these appendices.*

Proposed amendment to Article No.1 (xii) to read:

Non-Resident Membership: A Non-Resident Member is an Associate Member who resides more than 80 kilometers from KYC, **does not moor or otherwise maintain a boat within 80 kilometers of KYC** and makes infrequent use of the Club who has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. Students attending educational institutions in and around Kingston shall not be eligible to be Non-Resident Members. A Non-Resident membership is extended as a courtesy and shall be subject to periodic review.

Proposed amendment to Article No.1 (xiii) to read:

Junior Membership: A Junior Member is an Associate Member who has not reached the age of majority in Canada as of March 1st of the current membership year who has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid.

Proposed amendment to Article No.1 (xiv) to read:

Honorary Membership: An Honorary Member is a member of the Kingston Community, not ordinarily a member of the Kingston Yacht Club, who has been elected to the rank by the Board of Directors for a period of time not to exceed one year. Honorary Members may be re-elected by the Board of Directors.

- (xv) Corporate Membership
- a) A Member Corporation is an eligible business corporation, registered partnership, or not-for-profit organization which elects to pay the fee for this classification. A Member Corporation is entitled to nominate from among its directors, employees or partners, four Corporate Members, or any other number of Corporate Members as may be deemed necessary by the KYC Board of Directors, who shall become members without further fee or formality. Any two (2) Corporate Members from the Corporation may act in the interests of the Corporation by casting one vote each at any meeting of the members. Corporate Membership privileges are the following: racing, clubhouse and credit privileges
 - b) Upon payment of additional fees, a Member Corporation is further entitled to nominate Associate Corporate Members from among its directors, officers, employees or partners. The Associate Corporate Member fee will be equal in value to one Crew Membership Fee for each Associate Corporate Member nominated and will be established annually in accordance with Article 3.1. Associate Corporate Membership privileges are the following: racing, clubhouse and credit privileges.
 - c) Each Corporate Member and Associate Corporate Member shall be entitled to nominate one (1) Corporate Member Nominee upon payment of a fee equal in value to the Nominee Member fees for the Social Membership with Nominee and the Senior Membership with Nominee, membership categories. Corporate Member Nominees privileges are the following: racing, clubhouse and credit
- (xvi) Temporary Membership
This category is available on a monthly basis to persons whose residency in Kingston is short term. Privileges are the following: racing and use of the clubhouse.
- (xvii) Non-Active Membership (Grandfathered)
A Non-Active Member is a member who participates infrequently in the affairs of the Club. A Non-Active Member shall have been an Active, Single, Family, Nominee, or Lady Associate (as defined prior to March 1, 1978) Member for a total of not less than twenty years prior to admission to this category of membership. Non-Active Members are entitled to club house, credit and *Nominee Membership privileges. Continued membership in this category shall be subject to periodic review by the Directors.
- (xviii) Nominee Membership (See appropriate membership category)
This sub-category is a membership that is supplementary to certain membership categories. Family, Life, Non-Resident and Non-Active members shall have the privilege of nominating one person who is actually residing with the nominating member. That person shall become a Nominee Member without further fee. **Associate Members** and Senior Members shall have the privilege of nominating one person who is actually residing with the nominating member. That person shall become a *Nominee Member upon payment of the Nominee Fee. Privileges are the following: racing, use of the club house and credit privileges. In addition the Nominee may exercise all other rights included in the membership class of the nominating member, in lieu of that member.
- (xix) The debts incurred at the Club by any *Nominee Member shall be the responsibility of the nominating member and assigned to the nominating member's, membership number.

Proposed amendment to move Article No.1 (xv) to the 'Full Membership' section (where it more properly belongs), and restructuring it to read:

Corporate Membership: A Member Corporation is an eligible business corporation, registered partnership or not-for-profit organization which has been elected to the rank by the Board of Directors and for which the membership fee for this category has been paid. A Member Corporation may nominate from among its directors, employees and partners, as many as four Corporate Members who, if elected, will become members without further payment of fees.

- A Corporate Member is an individual affiliated with a Member Corporation who has been elected to the rank by the Board of Directors.
- Any two (2) named Corporate Members from the Member Corporation may each act in the interests of the Corporation by exercising one (1) vote at General Meetings of the members.
- A Corporate Member may nominate Associate Members from among its directors, officers, employees and partners.

Proposed amendment to Article No.1 (xvi) to read:

Temporary Membership: A Temporary Member is an Associate Member whose residency in Kingston is short term who has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. Temporary Membership is available on a monthly basis.

Proposed amendment to remove Article No.1 (xvii):

Note No.4: *Since it no longer exists, it is proposed to remove all reference to the 'Non-Active' Category from the By-Laws while maintaining the status of this 'grandfathered' category for the two remaining members as a policy and administration function.*

Proposed amendment to Article No.1 (xviii) to read:

Nominee Membership: A Nominee Member is an individual residing with a Family, Life, Corporate or Associate Member who has been nominated by that member to be affiliated with his or her membership, has been elected to the rank by the Board of Directors and for whom the fee, if any, has been paid. A Nominee Member may exercise all the rights and privileges included in the membership category of the nominating member, in lieu of that member.

Proposed amendment to Article No.1 (xix) to read:

Debts incurred at the Club by any Nominee or affiliated Member shall be the responsibility of the nominating member and shall be assigned to the nominating member's account.

**Further to the earlier comment, it is proposed to replace Article No.1 (iv) with the following.
MEMBERSHIP - RIGHTS AND PRIVILEGES**

Notwithstanding the right to vote at General Meetings of the members or meetings of the Board of Directors, the Board of Directors may pass By-Laws to assign or limit the rights and privileges of each classification and category of membership.

- a. Rights and Privileges of all Memberships in the Kingston Yacht Club include, but are not limited to:
 - i. Access to Clubhouse and Club Property;
 - ii. Participation in Club Races and Social Activities;
 - iii. **Credit Privileges, upon submission and acceptance of a credit agreement;**
 - iv. Access to instructional sailing programs, as may be provided by the Club, upon payment of the appropriate fee.

- b. Rights and Privileges of Full Membership in the Kingston Yacht Club, **with the exception of Corporate Membership** include, but are not limited to:
 - i. The right to nominate candidates for office;
 - ii. The right to exercise one (1) vote at any meeting of the members;
 - iii. The right to stand for office;
 - iv. The right to nominate candidates for membership;
 - v. For Family and Life Members, the right to nominate one (1) Full Nominee Member and their dependent children to be affiliated with his or her membership;
 - vi. The right to accumulate for every year of continuous Full Membership, ten (10) Membership Points to be utilized in the allocation of facilities and services such as wet moorings and boatsheds;
 - vii. The right to use one wet mooring, subject to the Club Mooring Regulations, upon payment of an annual fee;
 - viii. The right to use one boatshed, subject to the Club Boatshed Policy, upon payment of an annual fee;
 - ix. The right to access the KYC Community Club Program, subject to having demonstrated a satisfactory level of sailing competency as determined by the Club and upon payment of an annual fee.
 - x. The rights and privileges of Associate Membership, with the exception of Article No.1 (xviii d-i): the right to nominate additional Nominee Members; and, Article No.1 (xviii d-ii): the right to accumulate five (5) membership points for every year of continuous membership).

- c. **Rights and Privileges of Corporate Membership include, but are not limited to:**
 - i. **The right to nominate candidates for office;**
 - ii. **For any two (2) named Corporate Members, the right for each to exercise one (1) vote at any meeting of the members;**
 - iii. **The right to stand for office;**
 - iv. **The right to nominate candidates for membership;**
 - v. **Access to the Clubhouse and Property**
 - vi. **Credit Privileges, upon submission and acceptance of a credit agreement;**
 - vii. **Additional Rights and Privileges as may be negotiated with the Board of Directors.**

(Continued ...)

- d. Rights and Privileges of Senior and Associate Membership in the Kingston Yacht Club include, but are not limited to:
 - i. The right to nominate one (1) Associate Nominee Member to be affiliated with his or her membership;
 - ii. The right to accumulate for every year of continuous Associate Membership, five (5) membership points, which upon transfer to a Full Membership, may be utilized in the allocation of additional facilities and services such as wet moorings and boatsheds;
 - iii. The right to use one dry mooring, subject to the KYC Mooring Regulations, upon payment of an annual fee;
 - iv. The right to winter storage of a boat at KYC, subject to the KYC Mooring Regulations, upon payment of an annual fee;
 - v. Credit Privileges, upon submission and acceptance of a credit agreement;
 - vi. Membership in the Canadian Yachting Association.

Note No.5: *As mentioned earlier, there will be further proposed amendments to the Rights and Privileges of Family and Senior Membership, which will appear in sections II and III of these appendices.*

In the event that a Nominee Member is pre-deceased by his or her nominator, he or she shall have the option of subscribing to a Full or Associate Membership and retaining the membership points accumulated by the deceased nominator. Upon subscribing to a Full Membership category, the Nominee Member shall have the option of retaining a wet mooring and/or boatshed previously held by the nominator at the time of death.”

ARTICLE NO. 2. ELECTION OF MEMBERS

- (i) Except as hereinafter provided every candidate for membership shall be nominated on a form provided by the Club, by two Full Members in good standing. The nomination form shall state the candidate's personal information as required including address or place of residence, and if applicable, the name of their Nominee Member. The application form shall be left with the Office Manager and shall be accompanied by a deposit in the amount of the entrance fee, if any, and the annual fee.
- (ii) Nominations for membership shall be placed before the first meeting of the Board of Directors to be held after its receipt, and candidates shall be declared elected if not more than one vote in five is cast against them.

Candidates for membership shall be notified as soon as possible of the results of their application.
- (iii) Any member may apply in writing to the Board of Directors to be admitted to another category of membership, and shall deposit with such application the balance of the membership fee which would be payable upon election to the applicant's new category of membership. The application shall be dealt with in accordance with the provisions for the election of new members.
- (iv) Appropriate membership cards shall be issued by the Office Manager to all Club members including provisional members.
- (v) Provisional members will be assigned a membership number and given a provisional membership card at the time of payment and application. This provisional membership will be subject to approval at the next scheduled meeting of the Board of Directors.
- (vi) Persons nominated in accordance with Article No. 2, Section (i), may enjoy membership privileges (a) and (b) as stated in Article No. 1, Section (iv) pending acceptance (or otherwise) by the Board of Directors.
- (vi) Notwithstanding the foregoing, the admission of Life and Honorary members shall be as provided for in Article No.1, Sections (viii) and (xvi).

ARTICLE NO. 3. MEMBERSHIP, MOORING AND YARD FEES

- (i) The Directors shall, at each Annual General Meeting, present for the confirmation of the members a by-law which they have passed establishing the entrance fees, if any, and the annual fees, mooring and yard fees, to be effective on the first day of March next following. The members may confirm, reject, amend, or otherwise deal with this by-law, and thereafter no by-law amending the said fees, including any bylaw imposing an additional assessment on the members, shall be effective until it has been confirmed at a General Meeting of the members.
- (ii) The annual membership fee shall be due on the first day of March each year, which shall be the beginning of the membership year, or upon later election as a member.

Proposed amendment to Article No.2 (iii) to read:

Any member may make application in writing to the Board of Directors to be admitted to another category of membership which shall be considered in accordance with the provisions for the election of new members. The member shall deposit with such application the balance of the membership fee which would be payable upon election to the applicant's new category of membership. **If a refund is due, that refund will be credited to member's account upon the being elected to the new category.**

Proposed amendments to consolidate the intentions in Articles No.2 (iv), (v) & (vi) to read:

A candidate for membership nominated in accordance with Article No.2 (i), may enjoy limited access to Club property and be welcomed to attend Club activities pending the decision of the Board of Directors.

Proposed amendment to (what should be) Article No.2 (vii) to read:

Notwithstanding the foregoing, the **election** of Life and Honorary members shall be as described in Article No.1 (vi) and Article No.1 (xiii).

Proposed amendment to Article No.3 (i) to read:

The Directors shall, at each Annual General Meeting, present for the confirmation of the members a By-Law which they have passed to establish fees **to be charged to the members for** entrance fees, if any, annual membership fees, and fees for wet and dry mooring and yard services which are to be brought into effect on the first day of March next following.

The members may confirm, amend, reject or otherwise deal with this By-Law and thereafter no By-Law amending the said fees, including any By-Law imposing an additional assessment on the members, **shall come into in effect** until it has been confirmed at a General Meeting of the members.

ARTICLE NO. 4. SCHEDULE OF FEES

(Apply to the Office-Manager for the current schedule)

ARTICLE NO. 5. TERMINATION AND SUSPENSION OF MEMBERSHIP

- (i) The Board of Directors may pass a motion to remove a person from membership for failing to meet any qualification prescribed by these by-laws.
- (ii) A member shall resign by notification in writing directed to the Board of Directors. A member who resigns or becomes disqualified after the 15th day of April in any year shall be liable to pay the annual fee for the current year.
- (iii) The termination or suspension of membership by resignation, disqualification or otherwise shall not excuse the person whose membership is suspended or terminated from the payment of any fees, accounts or other monies owing to the Club.
- (iv) The Board of Directors may, by affirmative vote of three-quarters or more of those present at a meeting, expel or suspend from the membership any member whose conduct, whether on the Club's premises or elsewhere, is considered by the Board to be improper, unbecoming or likely to endanger the welfare, interest or character of the Club, or who willfully violates or neglects the observance of any rule or regulation prescribed by these by-laws or by the Board or by any committee of the Board. Members shall not be suspended for more than 15 days or expelled for any such offence without first being notified of the charges against them and being given the opportunity to be heard by the Board at a meeting called for that purpose. Such notification shall be sufficient if mailed by registered letter at least 15 days prior to such meeting.
- (v) If the membership fee of any member is not paid by the 1st day of May, the Board of Directors may forthwith post the name of such members and the amount due in the Clubhouse, and such members shall not be entitled to exercise any of their rights or privileges while such default continues. The Board of Directors may terminate the membership of any member who continues to be in default on the 31st of May.

The names and amounts owing of any members who are in arrears in respect of any other payment due by them to the Club may be posted in the Club and such members shall not be entitled to exercise any of their rights or privileges while such arrears continue.

- (vi) If the amount owing is not paid within 30 days, there will be an interest charge added at a rate determined from time to time by the directors.

Proposed amendment to Article No.4 to read:

The Schedule of Fees for goods, services and programs provided by the Club (such as, but not limited to: KYC Regalia, Learn-to-Sail Programs, Catering, Bar Service, and Transient Mooring) shall be as may be proposed from time to time by the Director responsible and ratified by the Board of Directors.

Proposed amendment to Article No.5 (v) to read:

If the membership fee of any member is not paid by the first day of May, the Board of Directors shall forthwith post the name of such members and the amount due in the Clubhouse, and such members shall not be entitled to exercise any of their rights or privileges while such default continues. The Board of Directors may terminate the membership of any member who continues to be in default on the thirty-first day of May."

Proposed amendment to the second part of Article No.5 (v) to read:

"The names and amounts owing of any members who are **more than sixty-five (65) days** in arrears in respect of any other payment due by them to the Club shall be posted in the Club and such members shall be deemed not to be in good standing and shall not be entitled to exercise any of their rights or privileges while such arrears continue."

Proposed amendment to Article No.5 (vi) to read:

If the amount owing is not paid within thirty-five (35) days **of the statement on which it first appears**, an interest charge shall be levied at a rate determined from time to time by the Board of Directors

No 'Housekeeping' amendments are proposed for Articles No.6 through No.9.

ARTICLE NO. 10. POWER OF DIRECTORS

- (i) The Board of Directors shall be responsible for the government and management of the Club and of its affairs, finances and property and shall have the power:
 - a) To appoint such officials and standing committees as it may deem advisable, and to prescribe their duties. The action of such officers and committees shall be at all times subject to the Board's revision and control.
 - b) To fill vacancies that may occur in any office and to appoint or dismiss, at pleasure, any officer or servant of the Club.
 - c) To make rules and regulations for the proper management and control of the Club's affairs, and to authorize such rules and regulations as may be made by any of its committees and to enforce due observance of the by-laws and any of such rules and regulations and to enforce and prescribe penalties.
 - d) To make and execute contracts on behalf of and in the name of the Club or to authorize its officers or committees to do so.

- (ii) The Directors may by resolution, borrow money on the credit of the Club, or charge, mortgage, hypothecate or pledge all or any of the Club's real or personal property to secure any money borrowed or other debt, obligation or liability of the Club.

The Board of Directors shall cause all monies of the Club to be deposited in the Club's bank account in the amount received by the Club. The bank of the Club shall be the bank from time to time designated by the Board of Directors.

- (iii) No contract shall be entered into and no liability or obligation incurred on behalf of the Club by any person, member or committee except such as may be made, incurred, authorized or confirmed by the Board of Directors. No payment of any amount or obligation by or on behalf of the Club shall be made except on the authority of the Board of Directors.

- (iv) Notwithstanding the foregoing, the Directors shall not enter into any agreement for the acquisition or conveyance of any interest in land, except for:
 - a) the granting of a right-of-way over the Club land or the acquisition of a right-of-way over adjoining land; or,
 - b) the granting or acquisition of any other interest which is for a period of not longer than three years, unless the terms of the agreement have been first approved by a majority vote at a general meeting of the members called for the purpose.

All bonds, debentures, deeds, mortgages and other securities, instruments, or documents requiring the signature of the Club may be signed by any two of the Signing Officers of the Club and the Corporate Seal of the Club may be attached as occasion may require.

All bills of exchange, promissory notes, cheques and orders for the payment of money on behalf of the Club shall be signed by any two of the Signing Officers of the club.

Proposed to amend Article No.10 (i-a) to read:

To enact new By-laws and to vary or rescind any section of these By-Laws, subject to the limitations prescribed by the articles entitled: "Membership, Mooring and Yard Fees" and "Amendments of the By-Laws", contained herein.

Proposed to expand Article No.10 into separate clauses and to add 2 clauses, to read:

All contracts for employment at the Club shall be signed by any two (2) Signing Officers of the Club and the reporting Director.

All agreements, letters of understanding or other such undertakings to make safe a Corporate Membership, shall be signed by the Commodore and any one (1) other Signing Officer of the Club.

No 'Housekeeping' amendments are proposed for Articles No.11 through No.23.

ARTICLE NO. 24. GUESTS OF MEMBERS

- (i) Any member shall have the privilege of introducing as a guest a friend residing not less than 40 kms. from the City of Kingston, for a period of not exceeding two weeks. The person so admitted shall be a privileged member of the Club for the specified time and their name shall be entered in the guest book and the said member shall also enter their name and the date thereof. No one such guest shall be so admitted more than once in any year. A guest card may be issued to each guest so introduced.
- (ii) No other guest may be introduced at the Club more than four times during any membership year.
- (iii) Notwithstanding the foregoing, the Directors may by resolution extend the privileges of the Club to visitors who are members of other clubs, and such persons shall enter their names in the guest book.
- (iv) No person who has been expelled from the Club for any cause whatsoever or who is currently posted for arrears may be introduced to the Club as a guest.

ARTICLE NO. 26. COLOURS

- (i) The colours of the Club shall be navy blue and white.
- (ii) The distinguishing signal of the Club shall be a triangle flag with a navy blue Saint George's cross on a white ground, and with the letters KYC thereon in gold, its hoist to be two-thirds of its fly.
- (iii) The Commodore's flag shall be a swallow tail, white with navy blue cross as above. The Vice-Commodore's flag shall be the same as the Commodore's flag, except that it shall have one navy blue ball in the upper canton of the hoist. The Rear-Commodore's flag shall be the same as the Vice-Commodore's flag except that it shall also have one navy blue ball in the lower canton of the hoist. The Past-Commodore's flag, which may be displayed by all Past Commodores, shall be the same as the Commodore's flag except that it shall have one gold ball in the upper canton of the hoist.

(cont'd ...)

Proposed amendment to move Article No.24, in its entirety, to become the new Article No.6

Proposed amendment Article No.26 (ii) to read:

The distinguishing Signal of the Club shall be a triangle flag with a cross of navy blue on a white ground in the manner of a Saint George's Cross and with *sans serif* letters "KYC" thereon in gold; its hoist to be two-thirds of its fly and the cross to be 1/5th of the height of the flag wide.

Proposed amendment and expand to Article No.26 (ii) to read:

The Flags of the Officers of the Club and of the Past Commodore shall be as follows:

- a. The Commodore's Flag shall be a swallow tail pennant, white with navy blue cross as defined for the Club Signal.
- b. The Vice-Commodore's Flag shall be the same as the Commodore's flag, except that it shall have one navy blue ball in the upper canton of the hoist.
- c. The Rear-Commodore's Flag shall be the same as the Vice-Commodore's Flag except that it shall also have one navy blue ball in the lower canton of the hoist.
- d. The Past-Commodore's Flag shall be the same as the Commodore's Flag except that it shall have one gold ball in the upper canton of the hoist. The Past-Commodore's Flag may be displayed by all Past Commodores.

...cont'd)

- (iv) The Club "device", as used for cap badges and other suitable items of wearing apparel, shall consist of a fouled anchor surmounted by the letters KYC, the whole encircled by two blended branches of maple leaves.

(Continued ...)

Proposed amendment Article No.26 (iv) to read:

The Club "Device" shall consist of a fouled anchor surmounted by the letters KYC, the whole encircled by two blended branches of maple leaves

Proposed amendment Article No.26 to include:

All Club symbols, including the KYC Device (the KYC emblem), the KYC Signal (the KYC burgee) and the Commodores' Flags (the Flags' pennants), and intended depictions thereof, shall be the property of the Kingston Yacht Club. All rights to their use are reserved.

The use and display of all Club symbols shall be for the benefit of the Kingston Yacht Club and its Members, in accordance with Club policy and only with the permission of the Board of Directors.

No further 'Housekeeping' amendments are proposed.

**Appendix 1.2: Proposed amendments arising from:
II - Material Changes to the Current By-Laws
By-Laws of the Kingston Yacht Club**

No material changes are proposed for Article No.1 (i) through (vi).

Full Membership Categories (Voting Memberships)

- (vii) Family Membership
This category is for a couple (Member and Nominee) plus their children who are under 19 years of age. The category receives one vote at General Meetings. In addition, this category has the right to accumulate for every year of continuous membership, 10 membership points to be utilized in the allocation of facilities and services such as wet moorings and boathouses. Additional privileges are the following: credit privileges; racing, wet/dry mooring, haul out, winter storage, social activities, full points, membership in the Canadian Yachting Association and such other privileges as may be developed. Family Members, having demonstrated a level of sailing competency; also have the right to access the Community Club vessels for an annual contribution to the care and maintenance of the fleet. A member in this category has the right to nominate candidates for office and the right to stand for office.
- (viii) Single Membership
This category receives one vote at General Meetings. In addition, this category has the right to accumulate for every year of continuous membership 10 membership points to be utilized in the allocation of facilities and services such as wet moorings and boathouses. Additional privileges are the following: credit privileges; racing, wet/dry mooring, haul out, winter storage, social activities, full points, membership in the Canadian Yachting Association and such other privileges as may be developed. Single Members, having demonstrated a level of sailing competency; also have the right to access the Community Club vessels for an annual contribution to the care and maintenance of the fleet. A member in this category has the right to nominate candidates for office and the right to stand for office.
- (ix) Life Membership
A Life Member is one elected to the rank by unanimous vote at a General Meeting. The names of the Life Members to be nominated at a General Meeting shall be proposed by unanimous vote of the Board of Directors and notice of such proposals shall be given with the notice calling the meeting. Life Members shall hold the rank during their lifetime or until their resignation. They shall have one vote at General Meetings and privileges the same as those allotted to the Family Membership category, including one *Nominee Membership. Life Members are not liable for the payment of membership fees. **The surviving spouse of a life member shall be extended the rights & privileges of a Single Membership in perpetuity and as a courtesy this special membership shall attract no annual membership fee.**

Proposed amendment to Article No.1 (vii) to read:

Family Membership: A Family Membership is comprised of a Family Member and his or her named Nominee Member who are a co-habiting couple, and their **dependents (adult and child, who may or may not be co-habiting)** who have been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid.

Proposed amendment to Article No.1 (viii) to read:

Single Membership: A Single Membership is comprised of an individual and his or her dependants (adult and child, who may or may not be co-habiting) who have been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. A Single Member may exercise one (1) vote at General Meetings of the members.

Note No.6: *These proposed amendments build onto those proposed earlier in the 'Housekeeping' section. The difference is the removal of the co-habitation requirement for dependents and the redefinition of dependents to include adult family members who are dependent upon either a Single or a Family member for care and sustenance.*

Proposed amendment to Article No.1 (ix) to read:

Life Membership: A Life Member is one who has been elected to the rank by a unanimous vote at a General Meeting of the members. **The names of Members to be nominated for Life Membership shall be recommended by a unanimous resolution of the assembly of Past Commodores and proposed by a unanimous vote of the Board of Directors. Notice of such proposals shall be given with the notice calling the meeting.**

- a. **To be elected, a Life Member will:**
 - i. **Be a member in good standing; and,**
 - ii. **Have a history of prolonged, active and distinguished involvement in the Club.**
- b. A Life Member shall hold the rank during his or her lifetime or until his or her resignation from the Club.
- c. **There shall be a maximum of ten (10) living Life Members, however, there may be fewer.**
- d. A Life Member shall have all rights and privileges of Family Membership.

(Continued ...)

- e. Life Members are not liable for the payment of membership fees.
- f. In the event that the **Nominee** of a Life Member is predeceased by the Life Member, the rights & privileges of a Single Membership shall be extended to the Nominee Member during his or her lifetime and that, as a courtesy, this special membership shall attract no annual membership fee.

Note No.7: *The reasoning for this proposed amendment is to sharply differentiate Life Membership from all other categories, as will be come more apparent when considered in respect to another proposed amendment to address Senior Members, in a following section.*

No further material changes are proposed for Article No.1 (x) through (xvii).

Proposed amendment to Article No.1, adding a new clause to read:

Aggregation and Disaggregation of Membership Points:

In the event of the amalgamation of two heretofore separate memberships, into one Membership with an affiliated Nominee, all Membership Points previously accumulated by both memberships will be aggregated and ascribed to that membership.

And:

In the event of the dissolution of a Membership with an affiliated Nominee and both members retain a Membership in the Kingston Yacht Club, unless otherwise agreed-to in writing and filed with the KYC Office, the Membership Points having accrued to their previous Membership will be divided equally between them.

Proposed amendment to Article No.1, adding a new clause to read:

In the event that a Nominee Member is pre-deceased by his or her nominator, he or she shall have the option of subscribing to a Full or Associate Membership and retaining the membership points accumulated by the deceased nominator. Upon subscribing to a Full Membership category, the Nominee Member shall have the option of retaining a wet mooring and/or boatshed previously held by the nominator at the time of death

No material changes are proposed for Articles No.2 through No.6.

filled by a separate election, except that the "other Directors" shall be elected by a single election. No nominations for any position shall be received until the result of the preceding election is declared.

ARTICLE NO. 7 BOARD OF DIRECTORS

- (i) The government and management of the Club shall be vested in a Board of Directors consisting of twelve members in good standing and entitled to vote and shall include the following:

The Commodore (acting as President)
The Vice-Commodore (acting as Vice-President)
The Rear-Commodore
The Director of the Finance Committee
The Director of the Sailing Committee
The Director of the Entertainment Committee
The Harbourmaster
The Director of the Learn to Sail Committee
The Junior Past Commodore
Three other directors

In the event that one person is elected to more than one position, sufficient additional members shall be elected to bring the membership of the Board to twelve.

- (ii) Directors shall serve without remuneration for acting as such, but Directors and their heirs, executors and administrators and estate and effects shall be indemnified and saved harmless out of the funds of the Club from and against all costs, charges and expenses whatsoever that they sustain or incur in or about any action, suit or proceeding that is brought, commenced or prosecuted against them for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by them, in or about the execution of the duties of their office and from and against all other costs, charges and expenses that they sustain or incur in or about or in relation to the affairs thereof, except such other costs, charges and expenses as are occasioned by their own willful neglect or default.

ARTICLE NO. 8. ELECTION OF DIRECTORS

- (i) With the exception of the Junior Past Commodore, Directors shall be elected at each Annual General Meeting for a term of one year, but each Director shall hold office until a successor is elected, if an election is delayed. Directors are eligible for reelection if otherwise qualified.

(ii) At the Annual General Meeting the Commodore or other person chairing the meeting shall appoint one person to preside over the elections, and a minimum of three other persons to act as scrutineers. Such persons shall be chosen from those entitled to vote at the Meeting, but shall not be Officers or Directors of the Club, and shall not be nominated or nominate any other person for any position during the elections.

- (iii) Directors shall be elected in the order listed in Article No. 7 and each position shall be

Proposed amendment to separate and expand Article No.7 (i) into 2 clauses, to read:

The government and management of the Club shall be vested in a Board of Directors consisting of twelve (12) members in good standing and entitled to vote and shall include the following:

The Commodore (acting as President)
The Vice-Commodore (acting as Vice-President)
The Rear-Commodore
The Director of Finance
The Director of Sailing
The Director of Entertainment
The Harbourmaster
Four (4) Directors-at-Large
The Junior Past Commodore {*ex officio* - voting}

And:

In the event that any one person is elected to more than **a single position**, sufficient additional members shall be **individually** elected as **Directors-at-Large** to bring the membership of the Board to twelve

Proposed amendment to split Article No.7 (ii) into separate clauses, to read:

Directors shall serve without remuneration for acting as such. **In performing the duties of their elected office, Directors shall, at all times, act in the interests of the Club, without financial compensation or material gain.**

And:

Directors and their heirs, executors and administrators and estate and effects shall be indemnified and saved harmless out of the funds of the Club from and against all costs, charges and expenses whatsoever that they sustain or incur in or about any action, suit or proceeding that is brought, commenced or prosecuted against them for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by them, in or about the execution of the duties of their office and from and against all other costs, charges and expenses that they sustain or incur in or about or in relation to the affairs thereof, except such other costs, charges and expenses as are occasioned by their own willful neglect or default.

Proposal to expand Article No.8 (iii) into two clauses, such that they read:

Directors shall be elected in the order listed in Article No. 7 – Board of Directors and each position shall be filled by a separate election.

(Continued ...)

And:

No nominations for any position shall be received until the result of the preceding election is declared.

(iv) Nominations may be made by any person entitled to vote, but no person shall be nominated unless they are personally present and assent thereto, or have, by letter addressed to the Board of Directors, previously indicated their willingness to stand for election.

(v) If the number of nominees does not exceed the number of positions to be filled by the election, the presiding officer shall declare the nominees to be elected. A vote, if required, shall be by ballot. Each person entitled to vote may vote for a number of nominees not greater than the number of positions to be filled by the election. If too many nominees are named on the ballot, it shall be considered to be spoiled. Upon receiving the report of the scrutineers, the presiding officer shall declare the appropriate number of nominees, who have received the highest number of votes, to be elected.

(vi) As long as there is a quorum of Directors in office, any vacancy in the Board may be filled by the Directors electing a qualified member to serve the balance of the term.

(vii) The members may, by resolution passed by at least two-thirds of the votes cast at a General Meeting, of which notice specifying the intention to pass such resolutions has been given, remove any Director before the expiration of their term of office, and may, by a majority of the votes cast at that meeting, elect any person in their stead for the remainder of their term.

Proposed amendment to Article No.8(v) to read:

If only one candidate is nominated for any position, the presiding officer shall declare the candidate to be elected. A vote, if required, shall be by secret ballot. Upon receiving the report of the scrutineers, the presiding officer shall declare the nominee who has received the highest number of votes, to be elected

No material changes are proposed for Article No.9.

Proposed amendment to Combine Articles No.11 through No.19 into one Article expanded to broaden and add flexibility to the duties of the Directors

ARTICLE NO. 11. DUTIES OF THE COMMODORE

It shall be the duty of the Commodore to preside at all meetings of the Club and of the Directors and to decide all questions arising under the by-laws, subject to appeal. Such appeal shall be sustained by two-thirds vote of the members or Directors present. The Commodore shall be an ex-officio member of all committees.

ARTICLE NO. 12. DUTIES OF THE VICE-COMMODORE

It shall be the duty of the Vice-Commodore to act in the absence of the Commodore, and to assist in the discharge of the Commodore's duties. The Vice-Commodore shall be an ex-officio member of all committees.

ARTICLE NO. 13. DUTIES OF THE REAR-COMMODORE

It shall be the duty of the Rear-Commodore to act in the absence of the Commodore and Vice-Commodore and to assist them in the discharge of all duties. The Rear-Commodore shall be an ex-officio member of all committees.

ARTICLE NO. 14. DUTIES OF THE DIRECTOR OF THE FINANCE COMMITTEE

The duties of the Director of the Finance Committee shall include but not be limited to preparing an annual budget for the operation of the Club and generally overseeing financial matters and making recommendations to the Board of Directors as to the expenditure of the Club's funds.

ARTICLE NO. 15. DUTIES OF THE DIRECTOR OF THE SAILING COMMITTEE

The duties of the Director of the Sailing Committee shall include but not be limited to organizing sailing and racing programs for the sailing members of the Club and arranging with other yacht clubs for inter-club regattas.

ARTICLE NO. 16. DUTIES OF THE DIRECTOR OF THE ENTERTAINMENT COMMITTEE

The duties of the Director of the Entertainment Committee shall include but not be limited to arranging and supervising all entertainment in the Club during the year.

DUTIES OF THE OFFICERS AND DIRECTORS

Duties of the Commodore: As President of the Corporation, it shall be the duty of the Commodore to preside at all meetings of the Club and of the Officers and of the Board of Directors and to decide all questions arising under the By-Laws, subject to appeal. Such appeal shall be sustained by a majority consisting of two-thirds of the members or Officers and Directors present. **As Senior Flag Officer, the Commodore shall sit as Chair of the Executive Committee.** The Commodore shall be an *ex-officio* member of all committees.

Duties of the Vice-Commodore: It shall be the duty of the Vice-Commodore to act in the absence of the Commodore and to assist in the discharge of the Commodore's duties **and to undertake such other duties as may be agreed-upon, from time to time.** The Vice-Commodore shall be an *ex-officio* member of all committees.

Duties of the Rear-Commodore: It shall be the duty of the Rear-Commodore to act in the absence of the Commodore and Vice-Commodore and to assist them in the discharge of all their duties **and to undertake such other duties as may be agreed-upon, from time to time.** The Rear-Commodore shall be an *ex-officio* member of all committees.

Duties of the Director of Finance: The duties of the Director of Finance shall include, but not be limited to **sitting as Chair of the Finance Committee**, preparing an annual budget for the operation of the Club and generally overseeing financial matters and making recommendations to the Board of Directors as to the expenditure of the Club's funds; **and undertaking such other duties as may be agreed-upon, from time to time.** The Director of Finance shall be an *ex-officio* member of all committees.

Duties of the Director of Sailing: The duties of the Director of Sailing shall include, but not be limited to, **sitting as Chair of the Sailing Committee**, organizing sailing and racing programs for the members of the Club, co-coordinating with other yacht clubs for inter-club regattas **and undertaking such other duties as may be agreed-upon, from time to time.**

Duties of the Director of Entertainment: The duties of the Director of Entertainment shall include, but not be limited to, **sitting as Chair of the Sailing Committee**, arranging and supervising all entertainment in the Club during the year **and undertaking such other duties as may be agreed-upon, from time to time.**

ARTICLE NO. 17. DUTIES OF THE HARBOURMASTER

The duties of the Director of Harbour and Moorings shall include but not be limited to supervising the allocation and maintenance of the Club's moorings, the operation of the Club's services to yacht owners and the operation and maintenance of power boats owned by the Club.

ARTICLE NO. 18. DUTIES OF THE DIRECTOR OF THE LEARN TO SAIL COMMITTEE

The duties of the Director of the Learn to Sail Committee shall include but not be limited to organizing instructional programs in sailing for the benefit of Junior and other members of the Club and such other persons as may be admitted thereto.

ARTICLE NO. 19. DUTIES OF THE OTHER DIRECTORS

The other Directors shall perform such duties as may be assigned to them by the Commodore.

(Continued ...)

Duties of the Harbourmaster: The duties of the Harbourmaster shall include, but not be limited to, **sitting as Chair of the Harbour and Moorings Committee**, supervising the allocation and maintenance of the KYC Harbour, the Club's wet and dry moorings, the operation of the Club's services to yacht owners, the operation and maintenance of power boats owned by the Club **and undertaking such other duties as may be agreed-upon, from time to time.**

It is proposed to remove the Director of the Learn-to-Sail Committee from the list of named directorships.

Duties of the Directors-at-Large: The duties of the Directors-at-Large shall be to **undertake other duties as may be agreed-upon, from time to time.**

Duties of the Junior Past Commodore: The Junior Past Commodore shall sit, *ex officio*, and shall enjoy the privilege to vote at meetings of the Board of Directors. The Junior Past Commodore shall act as an advisor to the Board and shall undertake such other duties as may be agreed-upon, from time to time.

No material changes are proposed for Articles No.20 through No.22.

ARTICLE NO. 23. PROCEDURE AT GENERAL MEETINGS

- (i) Each, Single, Family, and Life Member in good standing and personally present shall be entitled to one vote on each matter or item of business arising at the meeting. Nominee Members may vote as provided in Article No. 1 (xx). Corporate Members in good standing and personally present shall be entitled to vote as provided in Article No. 1 (xvii) (a). [PLEASE SEE THE END OF ARTICLE NO. 1 (xvii) FOR THE REASON FOR THIS INSERTION]
- (ii) The Commodore shall be the presiding officer of the meeting. In the absence of the Commodore, the next director on the list contained in Article No. 7, who is present, shall act as presiding officer.
- (iii) Except as otherwise required by the by-laws or applicable law, all questions shall be determined by the majority of the votes cast and the presiding officer of the meeting shall have a second, or casting vote in case of an equality of votes.
- (iv) Any member entitled to vote may request that a ballot be held for the determination of any question, in which case the presiding officer shall appoint a minimum of three scrutineers to distribute and collect the ballots and report as to the results thereof. If no ballot is demanded, the presiding officer's declaration as to the result of a show of hands shall be sufficient.
- (v) The presiding officer may recess the meeting or, with the consent of the meeting, adjourn it from time to time.
- (vi) Three members entitled to vote and personally present shall be a quorum for the choice of a presiding officer and the adjournment of a general meeting. For all other purposes the quorum shall be 20% of the members entitled to vote.

Proposed amendment to add a new clause to Article No.23 after No.23 (i), to read:

No member may authorize another person to act in his or her place at a General Meeting of the members

No material changes are proposed for Articles No.24 through No.29.

Note No.8: *A substantive amendment will be proposed to Article No.27 following a proposed amendment requiring significant change to Article No. 32, which follows.*

ARTICLE NO. 30. INTERPRETATION

In these by-laws, the singular shall include the plural and the plural the singular, and the word "person" shall include firms and corporations.

ARTICLE NO. 32. AMENDMENT OF BY-LAWS

- (i) The Board of Directors may vary or rescind any section of these by-laws, or enact new by-laws, but any such change, unless in the meantime confirmed at a Special Annual Meeting, shall be effective only until the next Annual General Meeting, to which it shall be submitted for confirmation of the members. The members may confirm, reject, amend or otherwise deal with such a change and it shall thereafter have effect only if and as finally approved by the members; but no act done or right acquired prior to the members' rejection, amendment or other dealing is prejudicially affected thereby.
- (ii) Notwithstanding the foregoing, no amendment of the provisions of clause (i) of Article No.3., or to clause (iv) of Article No. 10., shall be effective until confirmed by a general meeting of its members.

No further 'Material Changes' amendments are proposed.

Proposed amendment to Article 30, adding 3 clauses to read:

In these By-Laws, the term "dependant" shall mean any adult or child for whom the Member is responsible; such as a family member who is wholly or partly dependent upon the Member for care, support and attention for the ordinary necessities of life. [Note: There is no requirement for co-habitation, herein.]

In these By-Laws, the term "member in good standing" shall mean that the member:

- a. **Will be current in his or her accounts with no debt outstanding more than thirty-five (35) days after the date of first billing; or,**
- b. **Will have entered into a credit agreement with the Club whereby his or her accounts are reconciled on a monthly basis.**

Proposed amendment to Article 32, adding a clause to read:

Notwithstanding the foregoing, no amendment to limit, rescind or otherwise alter a member's right to vote as described in Article No.1 - Membership and Article No. 23 - Procedure at General Meeting, herein, shall be effective until confirmed by a majority of at least two-thirds of voting members in good standing and personally present at a General Meeting of the members or a simple majority of all voting members.

Appendix 1.3: Proposed amendments arising from: III - Substantive Changes in the Current Intent of the By-Laws

This section of the appendices is based upon the assumption that the sets of proposed revisions to the 2007 edition of the KYC By-Laws presented in sections I and II have been accepted by the members, and will have been adopted as the 'current' By-Laws. It is structured to present further proposed amendments to the By-Laws which may, or may not, be deemed acceptable to the members. The proposed amendments are presented out of the sequence in which they appear in the By-Laws so that should any proposal presented hereafter fail to be accepted, the foregoing will remain be force.

From the 2007 Edition of the KYC By-Laws:

ARTICLE NO. 27. DISTRIBUTION OF PROPERTY UPON DISSOLUTION

Upon the dissolution of the Club, the whole of its remaining property shall be distributed equally among the voting members.

Proposed amendment to Article 27, to read:

DISSOLUTION OF THE KINGSTON YACHT CLUB OR THE SALE OF ITS MAJOR ASSETS

- (i) **If, in the fullness of time, it is the clear decision of the members that the affairs of the Kingston Yacht Club are to be concluded or that any of its major assets (such as, but not limited to: KYC Clubhouse) are to be sold, the means by which this is accomplished must be in keeping with the Letters Patent; that:**
 - a. **“The Corporation shall be a Corporation without share capital”;**
 - b. **“The Corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the Corporation shall be used in promoting its objects”.**
- (ii) **Notwithstanding the article entitled “Procedure at General Meetings”, no decision to dissolve the Kingston Yacht Club or to sell any of its major real estate holdings shall be effective until it is confirmed by a majority of at least three-quarters of all voting members in good standing at a General Meeting of the members.**

[Note: A decision so momentous as to dissolve the Club should be agreed-to by least 75% of members in good standing and not merely those 'in good standing and personally present'.]
- (iii) **Upon dissolution of the Kingston Yacht Club, all Club capital assets shall be placed in the hands of the Club’s solicitors who will be charged with the liquidation and / or the distribution of these assets, as necessary.**
- (iv) **The proceeds resulting from such dissolution and liquidation shall first be applied to eliminate any indebtedness in accordance with the laws of the land.**
- (v) **The whole of any proceeds residual from the dissolution of its capital and the repayment of its debt shall be distributed among those not-for-profit organizations within the City of Kingston which broadly subscribe to the objectives of the Kingston Yacht Club as articulated in the Letters Patent: “to encourage the building and sailing of yachts, skiffs and canoes, motor boating, rowing, canoeing and all aquatic and other sports among amateurs”.**

ARTICLE NO.1 MEMBERSHIP - Senior Membership

From the 2007 Edition of the KYC By-Laws:

- (xi) Senior Membership
This category is for a person who is 65 years of age or older. **Privileges of this category will be the same as those of and Associate Member which are the following: (a) Participation in Club races; (b) Clubhouse privileges; (c) Credit privileges, upon submission of a credit agreement; (g) The right to nominate a *Nominee Member, upon payment of the Nominee Fee; (i) The right to accumulate for every year of continuous membership in this category, 5 membership points, which upon transfer to a Full Membership, may be utilized in the allocation of facilities and services such as wet moorings and boathouses; (j) Membership in the Canadian Yachting Association. In addition, an Associate Member has the right to use one dry mooring, with the payment of an annual fee.**

AND: As proposed in section 'I - Housekeeping' and with the related Rights and Privileges:

Senior Membership [Non-voting Membership]

- (vii) **Senior Membership:** A Senior Member is an individual who has attained the age of sixty-five years, has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid.

- (xvi-c) Rights and Privileges of Senior and Associate Membership in the Kingston Yacht Club include, but are not limited to:
- i. The right to nominate one (1) Associate Nominee Member to be affiliated with his or her membership
 - ii. The right to accumulate for every year of continuous Associate Membership, five (5) membership points, which upon transfer to a Full Membership, may be utilized in the allocation of additional facilities and services such as wet moorings and boatsheds;
 - iii. The right to use one dry mooring, subject to the KYC Mooring Regulations, upon payment of an annual fee;
 - iv. The right to winter storage of a boat at KYC, subject to the KYC Mooring Regulations, upon payment of an annual fee;
 - v. Credit Privileges, upon submission and acceptance of a credit agreement;
 - vi. Membership in the Canadian Yachting Association.

Proposed amendment to the newly revised Article No.1 to remove Senior Membership as a category of Membership [as it appears on Pages 16 through 21, herein] with the following set of actions:

- *Amend the By-Laws as newly revised to remove all reference to 'Senior Membership' and the rights and privileges thereof, re-numbering as appropriate.*
- *Amend the newly revised Article No.1 to insert a clause to follow Clause (xiv) – "Debts incurred at the Club ..." [as it now appears on Page 19, herein], , such that it reads:*

Recognition of a Member of Long-standing:

Member of Long-Standing: Any Full or Associate Member who has accumulated 250 membership points may petition the Board of Directors to be acknowledged as a member of long-standing by having the appellation "Senior" affixed to his or her rank of membership. The term 'Senior Member', in itself, shall not specify a category of membership; neither shall it provide for ancillary rights and privileges of membership.

E.g.: It is proposed to remove reference to the term 'Senior' from the Clause at the left.

ARTICLE NO.1 MEMBERSHIP - Family Membership: The Vote for the Full Nominee

From the 2007 Edition of the KYC By-Laws:

(vii) Family Membership
This category is for a couple (Member and Nominee) plus their children who are under 19 years of age. The category receives one vote at General Meetings. In addition, this category has the right to accumulate for every year of continuous membership, 10 membership points to be utilized in the allocation of facilities and services such as wet moorings and boathouses. Additional privileges are the following: credit privileges; racing, wet/dry mooring, haul out, winter storage, social activities, full points, membership in the Canadian Yachting Association and such other privileges as may be developed. Family Members, having demonstrated a level of sailing competency; also have the right to access the Community Club vessels for an annual contribution to the care and maintenance of the fleet. A member in this category has the right to nominate candidates for office and the right to stand for office.

[See Below]

(xviii) Nominee Membership (See appropriate membership category)
This sub-category is a membership that is supplementary to certain membership categories. Family, Life, Non-Resident and Non-Active members shall have the privilege of nominating one person who is actually residing with the nominating member. That person shall become a Nominee Member without further fee. **Associate Members** and Senior Members shall have the privilege of nominating one person who is actually residing with the nominating member. That person shall become a *Nominee Member upon payment of the Nominee Fee. Privileges are the following: racing, use of the club house and credit privileges. In addition the Nominee may exercise all other rights included in the membership class of the nominating member, in lieu of that member.

[See Below]

As proposed in section 'II – Material Changes' and with the related Rights and Privileges:

Family Membership: A Family Membership is comprised of a Family Member and his or her named Nominee Member who are a co-habiting couple, and their **dependents (adult and child, who may or may not be co-habiting)** who have been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid.

Nominee Membership: A Nominee Member is an individual residing with a Family, Life, Corporate or Associate Member who has been nominated by that member to be affiliated with his or her membership, has been elected to the rank by the Board of Directors and for whom the fee, if any, has been paid. A Nominee Member may exercise all the rights and privileges included in the membership category of the nominating member, in lieu of that member

[Privileges are the following: racing, use of the club house and credit privileges. In addition the Nominee may exercise all other rights included in the membership class of the nominating member, in lieu of that member.]

Proposed amendment to the newly revised Article No.1 (v), on Page 30 herein and at left, to read:

Family Membership: A Family Membership is comprised of a Family Member and his or her named Nominee Member who are a co-habiting couple, and their dependents (adult and child, who may or may not be co-habiting) who have been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. **A Family Member and his or her named Nominee may each exercise one vote at General Meetings of the Members.**

Proposed amendment to the newly revised Article No.1 (xii), on Page 19 herein and at left, to read:

Full Membership Nominee: A Full Membership Nominee is an individual who, being part of a co-habiting couple with a Family or Life Member, has been nominated by that Member to be affiliated with his or her membership and has been elected to the rank by the Board of Directors without further membership fee. Upon election to the rank, that person shall become a Full Nominee Member **and shall enjoy the right to vote at any meeting of the members."**

Family and Life Members and their Nominees may nominate their dependants to be affiliated with their membership. Upon election to the rank by the Board of Directors, such a person shall become a Member affiliated with that Full Membership without further membership fee.

(Continued ...)

Associate Membership Nominee: An Associate Membership Nominee is an individual who, being part of a co-habiting couple with an Associate Member, has been nominated by that Member to be affiliated with his or her membership and has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. Upon election to the rank, that person shall become an Associate Nominee Member.

Additional proposed amendment to the newly revised Article No.1 (xiii), on Page 19 herein, to read:

Rights and Privileges of a Full Member Nominee include, but are not limited to the following:

- i. **The right to exercise one vote at any meeting of the members;**
- ii. **Excepting the right to accumulate Membership Points, or to use a wet mooring or boatshed, the right to exercise all other rights and privileges of a Full Membership.**

Rights and Privileges of an affiliated Member who has been nominated as a dependant include, but are not limited to the rights and privileges of an Associate Membership, with the exception of: the right to nominate additional Membership Nominees; and, the right to accumulate five (5) membership points for every year of continuous membership.

Rights and Privileges of an Associate Member Nominee include, but are not limited to the right to exercise all rights and privileges of an Associate Membership, excepting the right to accumulate Membership Points.

ARTICLE NO. 32. AMENDMENT OF BY-LAWS

- (i) The Board of Directors may vary or rescind any section of these by-laws, or enact new by-laws, but any such change, unless in the meantime confirmed at a Special Annual Meeting, shall be effective only until the next Annual General Meeting, to which it shall be submitted for confirmation of the members. The members may confirm, reject, amend or otherwise deal with such a change and it shall thereafter have effect only if and as finally approved by the members; but no act done or right acquired prior to the members' rejection, amendment or other dealing is prejudicially affected thereby.

Notwithstanding the foregoing, no amendment of the provisions of clause (i) of Article No. 3., or to clause (iv) of Article No. 10., shall be effective until confirmed by a general meeting of its members

Proposed amendment to Article 32 (ii), adding 3 clauses to read:

Notwithstanding the foregoing, no amendment to limit, rescind or otherwise infringe upon a member's right to vote as described in the articles entitled: "Membership" and "Procedure at General Meetings", herein, shall be effective until confirmed by a simple majority of the members in good standing and personally present at a General Meeting of the members which shall comprise a simple majority of all voting members.

Notwithstanding the foregoing, no amendment to limit, rescind or otherwise alter the provisions in the articles entitled "Membership Mooring and Yard Fees" and "Power of the Board of Directors", herein, shall be effective until confirmed by a simple majority of a General Meeting of the members.

Notwithstanding the foregoing, no amendment to limit, rescind or otherwise alter the article entitled: "Dissolution of the Kingston Yacht Club or the Sale of its Major Assets", herein, shall be effective until it is confirmed by a majority of at least three-quarters of the members in good standing and personally present at a General Meeting of the members which shall comprise a simple majority of all voting members.

No motion to rescinded or amended this article ("Amendment to the By-Laws"), all or in part, shall be effective until it is confirmed by a majority of three-quarters of members in good standing and personally present at a General Meeting of the members which shall comprise a simple majority of all voting members

No further 'Substantive Changes' amendments are proposed.

Appendix 1.4: All the proposed amendments, together: IV - Tidying-Up: Re-order and Re-Number the By-Laws

This section of the appendices is an aggregation of all proposed amendments, and is based upon the assumption that all the proposed revisions to the 2007 edition of the By-Laws presented herein have been accepted by the membership. It is presented her to bring all the proposed amendments into context.

Changes which do not change the intent of the 2007 By-Laws are presented in **highlighted yellow**. Recommended changes to the By-Laws which are new and/or alter the intent of previous By-Laws are presented in **highlighted bold face**.

By-Laws of the Kingston Yacht Club

(Hereinafter referred to as "KYC", the "Club" or the "Corporation")

EXCERPTS FROM THE LETTERS PATENT:

GRANTED APRIL 7, 1916

6. The name of the Corporation is Kingston Yacht Club.
7. The objects of the Corporation are to encourage the building and sailing of yachts, skiffs and canoes, motor boating, rowing, canoeing and all aquatic and other sports among amateurs.
8. The Corporation shall be a Corporation without share capital.
9. The interest of a member of the Corporation shall not be transferable, and shall lapse and cease to exist when such member shall cease to be a member of the Corporation by death, by resignation or otherwise, in accordance with the By-Law.
10. The Corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the Corporation shall be used in promoting its objects.

ARTICLE NO.1: MEMBERSHIP

- (i) The membership of the Kingston Yacht Club shall consist of those persons who may be admitted to the membership **classifications and** categories as hereinafter provided.

MEMBERSHIP - CLASSIFICATIONS AND CATEGORIES

- (ii) There shall be two classifications of membership: Full Memberships (voting) and Associate Memberships (non-voting).
 - a. **Full Membership** categories shall include: Single, Family, Life and Corporate Memberships; and their affiliated Nominee Memberships, where permitted.
 - b. **Associate Membership** categories shall include: Associate, Non-Resident, Junior, Temporary and Honorary Memberships; and their affiliated Nominee Memberships, where permitted.

Full Membership Categories [Voting Memberships]

- (iii) **Single Membership:** A Single Membership is comprised of an individual **and his or her dependants (adult and child, who may or may not be co-habiting)** who have been elected to the rank by the Board of Directors **and for whom the membership fee for this category has been paid.** A Single Member may exercise one (1) vote at General Meetings of the members.
- (iv) **Family Membership:** A Family Membership is comprised of a Family Member and his or her named **Full Nominee Member** who are a co-habiting couple and their **dependants (adult and child, who may or may not be co-habiting)** who have been elected to the rank by the Board of Directors **and for whom the membership fee for this category has been paid.** **A Family Member and his or her named Nominee may each exercise one (1) vote at General Meetings of the Members.**
- (v) **Life Membership:** A Life Member is one who has been elected to the rank by a unanimous vote at a General Meeting of the members. **The names of Members to be nominated for Life Membership shall be recommended by a unanimous resolution of the assembly of Past Commodores and proposed by a unanimous vote of the Board of Directors. Notice of such proposals shall be given with the notice calling the meeting.**
 - a. **To be elected, a Life Member will:**
 - a. **Be a member in good standing; and,**
 - b. **Have a history of prolonged, active and distinguished involvement in the Club.**
 - b. A Life Member shall hold the rank during his or her lifetime or until his or her resignation from the Club.
 - c. **There shall be a maximum of ten (10) living Life Members, however, there may be fewer.**
 - d. A Life Member **shall have all rights and privileges of Family Membership.**
 - e. Life Members are not liable for the payment of membership fees.
 - f. In the event that the Nominee of a Life Member is predeceased by the Life Member, the rights and privileges of a Single Membership shall be extended to the Nominee Member during his or her lifetime and, as a courtesy, this special membership shall attract no annual membership fee.
- (vi) **Full Membership Nominee:** A Full Membership Nominee is an individual who, being part of a co-habiting couple with a Family or Life Member, has been nominated by that Member to be affiliated with his or her membership and has been elected to the rank by the Board of Directors without further membership fee. Upon election to the rank, that person shall become a Full Nominee Member **and shall enjoy the right to vote at any meeting of the members.**
- (vii) **Family and Life Members and their Nominees may nominate their dependants to be affiliated with their membership. Upon election to the rank by the Board of Directors, that person shall become a Member affiliated with that Membership without further membership fee.**

- (viii) **Corporate Membership:** A Member Corporation is an eligible business corporation, registered partnership or not-for-profit organization which has been elected to the rank by the Board of Directors and for which the membership fee for this category has been paid. A Member Corporation may nominate from among its directors, employees and partners, as many as four Corporate Members who, if elected, will become members without further payment of fees.
- a. A Corporate Member is an individual affiliated with and nominated by a Member Corporation who has been elected to the rank by the Board of Directors.
 - b. Any two (2) named Corporate Members from the Member Corporation may each act in the interests of the Corporation by exercising one (1) vote at General Meetings of the members.
 - c. A Corporate Member may nominate Associate Members from among its directors, officers, employees and partners.

Associate Membership Categories [Non-voting Memberships]

- (ix) **Associate Membership:** An Associate Member is an individual who has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid.
- (x) **Non-Resident Membership:** A Non-Resident Member is an Associate Member who resides more than 80 kilometers from KYC, does not moor or otherwise maintain a boat within 80 kilometers of KYC and makes infrequent use of the Club who has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid.
- a. A member having accumulated membership points and who departs from the City of Kingston and who transfers to a Non-Resident Membership, will retain any accumulated membership points.
 - b. Such accumulated membership points will be available to the Member upon subsequent transfer to one of the Full Membership categories.
 - c. Students attending educational institutions in and around Kingston shall not be eligible to be Non-Resident Members.
 - d. A Non-Resident membership is extended as a courtesy and shall be subject to periodic review.
- (xi) **Junior Membership:** A Junior Member is an Associate Member who has not reached the age of majority in Canada as of March 1st of the current membership year who has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid.
- (xii) **Temporary Membership:** A Temporary Member is an Associate Member whose residency in Kingston is short term who has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. Temporary Membership is available on a monthly basis.
- (xiii) **Honorary Membership:** An Honorary Member is a member of the Kingston Community, not ordinarily a member of the Kingston Yacht Club, who has been elected to

the rank by the Board of Directors for a period of time not to exceed one year. Honorary Members may be re-elected by the Board of Directors.

- (xiv) **Associate Membership Nominee:** An Associate Membership Nominee is an individual who, being part of a co-habiting couple with an Associate Member, has been nominated by that Member to be affiliated with his or her membership and has been elected to the rank by the Board of Directors and for whom the membership fee for this category has been paid. Upon election to the rank, that person shall become an Associate Nominee Member.
- (xv) Debts incurred at the Club by any Nominee or affiliated Member shall be the responsibility of the nominating member and shall be assigned to the nominating member's account.

Recognition of a Member of Long-standing:

- (xvi) **Member of Long-Standing:** Any Full or Associate Member who has accumulated 250 membership points may petition the Board of Directors to be acknowledged as a member of long-standing by having the appellation "Senior" affixed to his or her rank of membership. The term 'Senior Member', in itself, shall not specify a category of membership; neither shall it provide for ancillary rights and privileges of membership.

MEMBERSHIP - RIGHTS AND PRIVILEGES

- (xvii) The rights and privileges of each classification and category of membership shall include, but may not be limited to the following:
- a. Rights and Privileges of all Memberships in the Kingston Yacht Club include, but are not limited to:
 - i. Access to Clubhouse and Club Property;
 - ii. Participation in Club Races and Social Activities;
 - iii. Credit Privileges, upon submission and acceptance of a credit agreement;
 - iv. Access to instructional sailing programs, as may be provided by the Club, upon payment of the appropriate fee.
 - v. Upon attaining 250 membership points, the right to petition the Board of Directors to have the appellation "Senior" affixed to his or her rank of membership
 - b. Rights and Privileges of Full Membership in the Kingston Yacht Club, with the exception of Corporate Membership, include, but are not limited to:
 - i. The right to nominate candidates for office;
 - ii. The right to exercise one (1) vote at any meeting of the members;
 - iii. The right to stand for office;
 - iv. The right to nominate candidates for membership;
 - v. For a Family or Life Members, the right to nominate one (1) Full Member Nominee (voting) and their dependants to be affiliated with his or her membership;
 - vi. For a Single Member, the right to nominate his or her dependants to be affiliated with his or her membership;
 - vii. The right to accumulate for every year of continuous Full Membership, ten (10) Membership Points to be utilized in the allocation of facilities and services such as wet moorings and boatsheds;
 - viii. The right to use one wet mooring, subject to the Club Mooring Regulations

- ix. and upon payment of an annual fee;
The right to use one boatshed, subject to the Club Boatshed Policy and upon payment of an annual fee;
- x. The right to access the KYC Community Club Program, subject to having demonstrated a satisfactory level of sailing competency as determined by the Club and upon payment of an annual fee;
- xi. The additional rights and privileges of Associate Membership, with the exception of Article No.1 (xviii e-i): the right to nominate additional Nominee Members; and, Article No.1 (xviii e-ii): the right to accumulate five (5) membership points for every year of continuous membership.

c. Rights and Privileges of a Full Member Nominee include, but are not limited to the following:

- i. The right to exercise one vote at any meeting of the members;
- ii. Excepting the right to accumulate Membership Points, or to use a wet mooring or boatshed, the right to exercise all other rights and privileges of a Full Membership.

d. Rights and Privileges of an affiliated Member who has been nominated as a dependant include, but are not limited to the rights and privileges of an Associate Membership, with the exception of: the right to nominate additional Membership Nominees; and, the right to accumulate five (5) membership points for every year of continuous membership.

e. Rights and Privileges of Corporate Membership include, but are not limited to:

- i. For any two (2) named Corporate Members, the right for each to exercise one (1) vote at any meeting of the members;
- ii. The right to stand for office;
- iii. The right to nominate candidates for office;
- iv. The right to nominate candidates for membership;
- v. Additional Rights and Privileges as may be negotiated with the Board of Directors.

f. Rights and Privileges of Associate Membership in the Kingston Yacht Club include, but are not limited to:

- i. The right to nominate one (1) Associate Member Nominee (non-voting) to be affiliated with his or her membership
- ii. The right to accumulate for every year of continuous Associate Membership, five (5) membership points, which upon transfer to a Full Membership, may be utilized in the allocation of additional facilities and services such as wet moorings and boatsheds;
- iii. The right to use one dry mooring, subject to the KYC Mooring Regulations, upon payment of an annual fee;
- iv. The right to winter storage of a boat at KYC, subject to the KYC Mooring Regulations, upon payment of an annual fee;
- v. Membership in the Canadian Yachting Association.

g. Rights and Privileges of an Associate Member Nominee include, but are not limited to the right to exercise all rights and privileges of an Associate Membership, excepting the right to accumulate Membership Points.

(xviii) Aggregation and Disaggregation of Membership Points:

- a. In the event of the amalgamation of two heretofore separate memberships, into one Membership with an affiliated Nominee, all Membership Points

previously accumulated by both memberships will be aggregated and ascribed to that membership.

- b. In the event of the dissolution of a Membership with an affiliated Nominee and both members retain a Membership in the Kingston Yacht Club, unless otherwise agree-to in writing and filed with the KYC Office, the Membership Points having accrued to their previous Membership will be divided equally between them.

- (xix) In the event that a Nominee Member is pre-deceased by his or her nominator, he or she shall have the option of subscribing to a Full or Associate Membership and retaining the membership points accumulated by the deceased nominator. Upon subscribing to a Full Membership category, the Nominee Member shall have the option of retaining a wet mooring and/or boatshed previously held by the nominator at the time of death.

ARTICLE NO. 2: ELECTION OF MEMBERS

- (i) Except as hereinafter provided every candidate for membership shall be nominated on a form provided by the Club, by two Full Members in good standing. The nomination form shall state the candidate's personal information as required including address or place of residence, and if applicable, the name of the named Nominee Member and dependants. The application form shall be left with the Office Manager and shall be accompanied by a deposit in the amount of the entrance fee, if any, and the annual fee.
- (ii) Nominations for membership shall be placed before the first meeting of the Board of Directors to be held after its receipt. Candidates shall be declared elected if not more than one vote in five is cast against them, and their names and the names of their Nominee Members and dependants shall be immediately entered into the Club's rosters. Candidates shall be notified as soon as possible of the results of their application.
- (iii) Any member may make application in writing to the Board of Directors to be admitted to another category of membership which shall be considered in accordance with the provisions for the election of new members. The member shall deposit with such application the balance of the membership fee which would be payable upon election to the applicant's new category of membership. If a refund is due, that refund will be credited to member's account upon the being elected to the new category.
- (iv) A candidate for membership nominated in accordance with Article No.2 (i), may enjoy limited access to Club property and be welcomed to attend Club activities pending the decision of the Board of Directors.
- (v) Notwithstanding the foregoing, the election of Life members shall be as described in Article No.1 (vi).

ARTICLE NO. 3: MEMBERSHIP, MOORING AND YARD FEES

- (i) The Directors shall, at each Annual General Meeting, present for the confirmation of the members a By-Law which they have passed to establish fees to be charged to the members for entrance fees, if any, annual membership fees, and fees for wet and dry mooring and yard services which are to be brought into effect on the first day of March next following.

(ii) The members may confirm, amend, reject or otherwise deal with this By-Law and thereafter no By-Law amending the said fees, including any By-Law imposing an additional assessment on the members, shall come into in effect until it has been confirmed at a General Meeting of the members.

(iii) The annual membership fee shall be due on the first day of March each year, which shall be the beginning of the membership year, or upon later election as a member.

ARTICLE NO. 4: SCHEDULE OF FEES

The Schedule of Fees for goods, services and programs (such as, but not limited to: KYC Regalia, Learn-to-Sail Programs, Catering, Bar Service and Transient Mooring) shall be as may be proposed from time to time by the Director responsible and ratified by the Board of Directors.

ARTICLE NO. 5: TERMINATION AND SUSPENSION OF MEMBERSHIP

(i) The Board of Directors may pass a motion to remove a person from membership for failing to meet any qualification prescribed by these By-Laws.

(ii) A member shall resign by notification in writing directed to the Board of Directors. A member who resigns or becomes disqualified after the 15th day of April in any year shall be liable to pay the annual fee for the current year.

(iii) The termination or suspension of membership by resignation, disqualification or otherwise shall not excuse the person whose membership is suspended or terminated from the payment of any fees, accounts or other monies owing to the Club.

(iv) The Board of Directors may, by affirmative vote of at least three-quarters of those present at a meeting, expel or suspend from the membership any member whose conduct, whether on the Club's premises or elsewhere, is considered by the Board to be improper, unbecoming or likely to endanger the welfare, interest or character of the Club, or who willfully violates or neglects the observance of any rule or regulation prescribed by these By-Laws or by the Board or by any committee of the Board. Members shall not be suspended for more than fifteen (15) days or expelled for any such offence without first being notified of the charges against them and being given the opportunity to be heard by the Board at a meeting called for that purpose. Such notification shall be sufficient if mailed by registered letter at least fifteen (15) days prior to such meeting.

(v) If the membership fee of any member is not paid by the first day of May, the Board of Directors may forthwith post the name of such members and the amount due in the Clubhouse, and such members shall not be entitled to exercise any of their rights or privileges while such default continues. The Board of Directors may terminate the membership of any member who continues to be in default on the thirty-first day of May.

(vi) The names and amounts owing of any members who are more than sixty-five (65) days in arrears in respect of any other payment due by them to the Club may be posted in the Club and such members shall be deemed not to be in good standing and shall not be entitled to exercise any of their rights or privileges while such arrears continue. If the amount owing is not paid within thirty-five (35) days of the statement on which it first appears, an interest charge may be levied at a rate determined from time to time by the

Board of Directors.

ARTICLE NO. 6: GUESTS OF MEMBERS

(i) Any member shall have the privilege of introducing as a guest, a friend residing not less than 40 kilometers from the City of Kingston, for a period of not exceeding two weeks. The person so admitted shall be a privileged member of the Club for the specified time and their name shall be entered in the guest book and the said member shall also enter their name and the date thereof. No such guest shall be so admitted more than once in any year. A guest card may be issued to each guest so introduced.

(ii) No other guest may be introduced at the Club more than four times during any membership year.

(iii) Notwithstanding the foregoing, the Directors may by resolution extend the privileges of the Club to visitors who are members of other clubs, and such persons shall enter their names in the guest book.

(iv) No person who has been expelled from the Club for any cause whatsoever or who is currently posted for arrears may be introduced to the Club as a guest.

ARTICLE NO. 7: BOARD OF DIRECTORS

(i) The government and management of the Club shall be vested in a Board of Directors consisting of twelve (12) members in good standing and entitled to vote and shall include the following:

The Commodore (acting as President)
The Vice-Commodore (acting as Vice-President)
The Rear-Commodore
The Director of Finance
The Director of Sailing
The Director of Entertainment
The Harbourmaster
Four (4) Directors-at-Large
The Junior Past Commodore {ex officio - voting}

(ii) In the event that any one person is elected to more than a single position, sufficient additional members shall be elected as Directors-at-Large to bring the membership of the Board to twelve.

(iii) Directors shall serve without remuneration for acting as such. In performing the duties of their elected office, Directors shall, at all times, act in the interests of the Club, without financial compensation or material gain.

(iv) Directors and their heirs, executors and administrators and estate and effects shall be indemnified and saved harmless out of the funds of the Club from and against all costs, charges and expenses whatsoever that they sustain or incur in or about any action, suit or proceeding that is brought, commenced or prosecuted against them for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by them, in or about the execution of the duties of their office and from and against all other costs, charges and expenses that they sustain or incur in or about or in relation to the affairs thereof, except such other costs, charges and expenses as are occasioned by their own willful neglect or

default.

ARTICLE NO. 8: OFFICERS OF THE CLUB

- (i) The Commodore, Vice-Commodore, Rear Commodore and the **Director of Finance**, as elected at the Annual General Meeting, shall be the Signing Officers of the Club.
- (ii) The Office-Manager or Secretary-Manager may also be a Signing Officer.

ARTICLE NO. 9: ELECTION OF DIRECTORS

- (i) With the exception of the Junior Past Commodore **who sits, ex officio, by virtue of his or her position**, Directors shall be elected at each Annual General Meeting for a term of one year, but each Director shall hold office until a successor is elected, if an election is delayed. Directors are eligible for re-election if otherwise qualified.
- (ii) At the Annual General Meeting the Commodore or other person chairing the meeting shall appoint one person to preside over the elections, and a minimum of three other persons to act as scrutineers. Such persons shall be chosen from those entitled to vote at the Meeting, but shall not be Officers or Directors of the Club, and shall not be nominated or nominate any other person for any position during the elections.
- (iii) Directors shall be elected in the order listed in Article No. 8 – Board of Directors **and each individual position shall be elected by a separate election.**
- (iv) **No nominations for any position shall be received until the result of the preceding election is declared.**
- (v) Nominations may be made by any person entitled to vote, but no person shall be nominated unless they are personally present and assent thereto, or have, by letter addressed to the Board of Directors, previously indicated their willingness to stand for election.
- (vi) **If there is only one nominee for any position, the presiding officer shall declare the nominee to be elected. A vote, if required, shall be by secret ballot. Upon receiving the report of the scrutineers, the presiding officer shall declare the nominee who has received the highest number of votes, to be elected.**
- (vii) So long as there is a quorum of Directors in office, any vacancy in the Board may be filled by the Directors electing a qualified member to serve the balance of the term.
- (viii) The members may, by resolution passed by at least two-thirds of the votes cast at a General Meeting, of which notice specifying the intention to pass such resolutions has been given, remove any Director before the expiration of their term of office, and may, by a majority of the votes cast at that meeting, elect any person in their stead for the remainder of their term.

ARTICLE NO. 10: POWER OF **THE BOARD OF DIRECTORS**

- (i) The Board of Directors shall be responsible for the government and management of the Club and of its affairs, finances and property and shall have the power:

- a. **To enact new By-laws and to vary or rescind any section of these By-Laws, subject to the limitations prescribed by the articles entitled: "Membership, Mooring and Yard Fees" and "Amendments of the By-Laws", contained herein.**
 - b. To appoint such officials and standing committees as it may deem advisable, and to prescribe their duties. The action of such officers and committees shall be at all times subject to the Board's revision and control.
 - c. To fill vacancies that may occur in any office and to appoint or dismiss, at pleasure, any officer or servant of the Club.
 - d. To make rules and regulations for the proper management and control of the Club's affairs, and to authorize such rules and regulations as may be made by any of its committees and to enforce due observance of the By-Laws and any of such rules and regulations and to enforce and prescribe penalties.
 - e. To make and execute contracts on behalf of and in the name of the Club or to authorize its officers or committees to do so.
- (ii) The Directors may by resolution, borrow money on the credit of the Club, or charge, mortgage, hypothecate or pledge all or any of the Club's real or personal property to secure any money borrowed or other debt, obligation or liability of the Club.
 - (iii) The Board of Directors shall cause all monies of the Club to be deposited in the Club's bank account in the amount received by the Club. The bank of the Club shall be the bank **so designated**, from time to time, by the Board of Directors.
 - (iv) No contract shall be entered into and no liability or obligation incurred on behalf of the Club by any person, member or committee except such as may be made, incurred, authorized or confirmed by the Board of Directors. No payment of any amount or obligation by or on behalf of the Club shall be made except on the authority of the Board of Directors.
 - (v) Notwithstanding the foregoing, the **Board of** Directors shall not enter into any agreement for the acquisition or conveyance of any interest in land, except for:
 - a. The granting of a right-of-way over the Club land or the acquisition of a right-of-way over adjoining land; or,
 - b. The granting or acquisition of any other interest which is for a period of not longer than three years, unless the terms of the agreement have been first approved by a majority vote at a **General Meeting of the members.**
 - (vi) All bonds, debentures, deeds, mortgages and other securities, instruments, or documents requiring the signature of the Club **shall** be signed by any two (2) Signing Officers of the Club and the Corporate Seal of the Club may be attached as occasion may require.
 - (vii) All bills of exchange, promissory notes, cheques and orders for the payment of money on behalf of the Club shall be signed by any two (2) Signing Officers of the Club.
 - (viii) **All contracts for employment at the Club shall be signed by any two (2) Signing Officers of the Club and the reporting Director.**
 - (ix) **All agreements, letters of understanding or other such undertakings to make safe a Corporate Membership, shall be signed by the Commodore and any one (1) other**

Signing Officer of the Club.

Directors. The Junior Past Commodore shall act as an advisor to the Board and shall undertake such other duties as may be agreed-upon, from time to time.

ARTICLE NO. 11: DUTIES OF THE OFFICERS AND DIRECTORS

- (i) **Duties of the Commodore:** As President of the Corporation, it shall be the duty of the Commodore to preside at all meetings of the Club and of the Officers and of the Board of Directors and to decide all questions arising under the By-Laws, subject to appeal. Such appeal shall be sustained by a majority consisting of two-thirds of the members or Officers and Directors present. As Senior Flag Officer, the Commodore shall sit as Chair of the Executive Committee. The Commodore shall be an *ex-officio* member of all committees.
- (ii) **Duties of the Vice-Commodore:** It shall be the duty of the Vice-Commodore to act in the absence of the Commodore and to assist in the discharge of the Commodore's duties, and to undertake such other duties as may be agreed-upon, from time to time. The Vice-Commodore shall be an *ex-officio* member of all committees.
- (iii) **Duties of the Rear-Commodore:** It shall be the duty of the Rear-Commodore to act in the absence of the Commodore and Vice-Commodore and to assist them in the discharge of all their duties, and to undertake such other duties as may be agreed-upon, from time to time. The Rear-Commodore shall be an *ex-officio* member of all committees.
- (iv) **Duties of the Director of Finance:** The duties of the Director of Finance shall include, but not be limited, to sitting as Chair of the Finance Committee, preparing an annual budget for the operation of the Club and generally overseeing financial matters and making recommendations to the Board of Directors as to the expenditure of the Club's funds and undertaking such other duties as may be agreed-upon, from time to time. The Director of Finance shall be an *ex-officio* member of all committees.
- (v) **Duties of the Director of Sailing:** The duties of the Director of Sailing shall include, but not be limited to, sitting as Chair of the Sailing Committee, organizing sailing and racing programs for the members of the Club and arranging with other yacht clubs for inter-club regattas and undertaking such other duties as may be agreed-upon, from time to time.
- (vi) **Duties of the Director of Entertainment:** The duties of the Director of Entertainment shall include, but not be limited to, sitting as Chair of the Entertainment Committee, arranging and supervising all entertainment in the Club during the year and undertaking such other duties as may be agreed-upon, from time to time.
- (vii) **Duties of the Harbourmaster:** The duties of the Harbourmaster shall include, but not be limited to, sitting as Chair of the Harbour and Moorings Committee, supervising the allocation and maintenance of the KYC Harbour, the Club's wet and dry moorings, the operation of the Club's services to yacht owners, the operation and maintenance of power boats owned by the Club and undertaking such other duties as may be agreed-upon, from time to time.
- (viii) **Duties of a Director-at-Large:** The duties of a Director-at-Large shall be to undertake such duties as may be agreed-upon, from time to time.
- (ix) **Duties of the Junior Past Commodore:** The Junior Past Commodore shall sit, *ex officio*, and shall enjoy the privilege to vote at meetings of the Board of

ARTICLE NO. 12: DUTIES OF THE OFFICE MANAGER OR THE SECRETARY-MANAGER

- (i) The duties of the Office Manager or the Secretary Manager shall be:
 - a. To attend and keep a record of all matters transacted at all meetings of the members and Directors;
 - b. To have custody of the Corporate Seal, to affix same to any document as instructed by the Board of Directors;
 - c. To keep a record of all members;
 - d. To collect all fees, dues, subscriptions and monies due to the Club and deposit the same to the credit of the Club with its banker, as heretofore provided;
 - e. To conduct all correspondence pertaining to the office;
 - f. To keep in the books of the Club regular account of all transactions, finances, assets and liabilities of the Club subject to examinations by the Board of Directors and the auditors, and to have custody of and be responsible for the books, documents and securities of the Club;
 - g. To perform such other duties as may be assigned from time to time by the Board of Directors.
 - h. To report to the Commodore and to the Board of Directors as a whole.
- (ii) The Secretary-Manager, if employed, shall give the bond of a guaranty company as in the amount required by the Board of Directors, conditional for the faithful performance of duties, and the annual premium in respect thereof shall be paid by the Club.
- (iii) The Secretary-Manager may be removed from office by the Board of Directors at any time for sufficient cause.

ARTICLE NO. 13: MEETINGS OF THE BOARD OF DIRECTORS

- (i) Meetings of the Board of Directors may be called at any time by the Commodore, or in the absence of the Commodore, by the Vice-Commodore or by any two Directors. Half the Board of Directors shall constitute a quorum for a meeting.
- (ii) Notice of meetings shall either be given at a previous meeting and included in the minutes of same or mailed (which may include 'e-mail') to each Director not less than five (5) days prior to the meeting, or be delivered to each Director not less than forty-eight (48) hours prior to the meeting. Meetings may be held at any time without such notice if all Directors who are present consent thereto and if those absent have consented to the meeting being held in their absence or have waived notice thereof. No accidental error or omission in the giving of the required notice for a meeting shall invalidate any of the proceedings at such meeting.

- (iii) Unless otherwise required by the By-Laws or applicable law, questions shall be decided by a majority of votes, and the Commodore or other Director chairing the meeting shall have a second or casting vote if there is an equality of votes in favour of and opposed to any matter.
- (iv) The Commodore shall chair any meeting of the Board of Directors. In the Commodore's absence, the next Director on the list of Directors in Article No.7 – Board of Directors who is present shall chair the meeting.

ARTICLE NO. 14: ANNUAL GENERAL MEETING

- (i) The Annual General Meeting of the Club shall be held at the Club House, or at such other place in the City of Kingston as the Directors may decide, on the last Thursday of November in each year, and written notice of the time, place and matters of business shall be sent by ordinary mail to each member entitled to vote at least 10 days in advance thereof. Any accidental error or omission regarding the notice of a meeting shall not affect the validity of the proceedings at such meeting.
- (ii) The Order of Business shall be as follows:
 1. Approval of the minutes of the last Annual General Meeting and those of any Special General Meetings held since the last Annual General Meeting;
 2. Reports of the Auditor and of the Finance Committee;
 3. Reports of other Committees;
 4. Report of the Commodore;
 5. Amendments to By-Laws;
 6. Election of Directors and Life Members;
 7. Ratification of the actions of the past year's Directors;
 8. Miscellaneous Business;
 9. Conclusion of the meeting.

ARTICLE NO. 15: SPECIAL GENERAL MEETING

- (i) A Special General Meeting may be called by the Board of Directors upon its own resolution, or shall be called by them upon the requisition of twenty-five or more members entitled to vote at such meetings. The requisition shall be filed with the Board of Directors and shall state the general nature of the business to be presented at the meeting.
- (ii) Written notice of the time, place and general nature of the business of the meeting shall be sent by ordinary mail to each member entitled to vote at least ten (10) days in advance thereof.
- (iii) At a Special General Meeting, the Order of Business shall be as follows:
 1. Reading of the minutes of the last Annual General Meeting and those of any Special General Meeting held since the last Annual General Meeting, if requested by resolution of the members;
 2. Reading of the notice pertaining to the reason or reasons for calling the meeting;
 3. Discussion and action on the matters for which the meeting was called;
 4. Conclusion of the meeting.

ARTICLE NO. 16: PROCEDURE AT GENERAL MEETINGS

- (i) Each Single Member, Family Member, Life Member, **named Full Nominee Member** and named Corporate Member in good standing and personally present shall be entitled to one (1) vote on each matter or item of business arising at a **General Meeting of the members**.
- (ii) **No member may authorize another person to act in his or her place at any meeting of the members.**
*[Note: It is intended that 'proxy voting' by members will **never be permitted.**]*
- (iii) The Commodore shall be the presiding officer of the meeting. In the absence of the Commodore, the next director on the list contained in **Article No. 7 – Board of Directors and** who is present, shall act as presiding officer.
- (iv) Except as otherwise required by the By-Laws or applicable law, all questions shall be determined by the majority of the votes cast and the presiding officer of the meeting shall have a second, or casting vote in case of an equality of votes.
- (v) Any member entitled to vote may request that a ballot be held for the determination of any question, in which case the presiding officer shall appoint a minimum of three scrutineers to distribute and collect the ballots and report as to the results thereof. If no ballot is demanded, the presiding officer's declaration as to the result of a show of hands shall be sufficient.
- (vi) The presiding officer may recess the meeting or, with the consent of the meeting, adjourn it from time to time.
- (vii) Three members entitled to vote and personally present shall be a quorum for the choice of a presiding officer and the adjournment of a general meeting. For all other purposes the quorum for **a General Meeting** shall be at least **one-fifth** of the members entitled to vote.

ARTICLE NO. 17: FISCAL YEAR

The fiscal year of the Club shall commence on the first day of October in each year and terminate on the thirtieth day of the following September.

ARTICLE NO. 18: AUDITOR

- (i) The Auditor of the Club shall be elected by the members at the Annual General Meeting and shall hold office until the next Annual General Meeting or until a successor is appointed, unless the Auditor is previously removed by resolution passed by at least two-thirds of the votes at a General Meeting of the members called for that purpose. The remuneration of the Auditor shall be fixed by the Directors.
- (ii) The Auditor shall examine all of the financial documents and affairs of the Club, and, at the Annual General Meeting, shall make such report thereon as is required by an applicable By-Law or as requested by the Directors. In addition, the Auditor shall prepare such accounts as the Directors are required by law to place before the Annual General Meeting, and shall perform such other tasks as are required by the Directors.

ARTICLE NO. 19: KYC COLOURS, SIGNAL, FLAGS AND DEVICE

- (i) The colours of the Club shall be navy blue and white.
- (ii) The distinguishing Signal of the Club shall be a triangle flag with a cross of navy blue on a white ground in the manner of a Saint George's Cross and with sans serif letters "KYC" thereon in gold; its hoist to be two-thirds of its fly and the cross to be 1/5th of the height of the flag wide.
- (iii) The Flags of the Officers of the Club and of the Past Commodore shall be as follows:
 - e. The Commodore's Flag shall be a swallow tail pennant, white with navy blue cross as defined for the Club Signal.
 - f. The Vice-Commodore's Flag shall be the same as the Commodore's flag, except that it shall have one navy blue ball in the upper canton of the hoist.
 - g. The Rear-Commodore's Flag shall be the same as the Vice-Commodore's Flag except that it shall also have one navy blue ball in the lower canton of the hoist.
 - h. The Past-Commodore's Flag shall be the same as the Commodore's Flag except that it shall have one gold ball in the upper canton of the hoist. The Past-Commodore's Flag may be displayed by all Past Commodores.
- (iv) The Club "Device" shall consist of a fouled anchor surmounted by the letters KYC, the whole encircled by two blended branches of maple leaves
- (v) All Club symbols, including the KYC Device (the KYC emblem), the KYC Signal (the KYC burgee) and the Commodores' Flags (the Flags' pennants), and intended depictions thereof, shall be the property of the Kingston Yacht Club. All rights to their use are reserved.
- (vi) The use and display of all Club symbols shall be for the benefit of the Kingston Yacht Club and its Members, in accordance with Club policy and only with the permission of the Board of Directors.

ARTICLE NO. 20: THE KYC SEAL

The Club "Seal", a facsimile impression of which is presented in the margin hereof, shall be the common seal of the Club.

ARTICLE NO. 21: INTERPRETATION

- (i) In these By-Laws, the singular shall include the plural and the plural the singular, and the word "person" shall include firms and corporations.
- (ii) In these By-Laws, the term "dependant" shall mean any adult or child for whom the Member is responsible; such as a family member, other than a partner or spouse, who is wholly or partly dependant upon the Member for care, support and attention for the ordinary necessities of life. [Note: There is no requirement for co-habitation.]
- (iii) In these By-Laws, the term "member in good standing" shall mean that the member:

- a. Will be current in his or her accounts with no debt outstanding more than thirty-five (35) days after the date of first billing; or,
- b. Will have entered into a credit agreement with the Club whereby his or her accounts are reconciled on a monthly basis.

ARTICLE NO. 22: DISSOLUTION OF THE KINGSTON YACHT CLUB OR THE SALE OF ITS MAJOR ASSETS

- (i) If, in the fullness of time, it is the clear decision of the members that the affairs of the Kingston Yacht Club are to be concluded or that any of its major assets (such as, but not limited to: KYC Clubhouse) are to be sold, the means by which this is accomplished must be in keeping with the Letters Patent; to wit:
 - a. "The Corporation shall be a Corporation without share capital";
 - b. "The Corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the Corporation shall be used in promoting its objects".
- (ii) Notwithstanding the article entitled: "Procedure at General Meetings", herein, no decision to dissolve the Kingston Yacht Club or to sell any of its major real estate holdings shall be effective until it is confirmed by a majority of at least three-quarters of all voting members in good standing at an General Meeting of the members.
[Note: Remembering that KYC does not recognize proxy votes under any conditions: Article 16(ii) – Procedure at General Meetings, this calls for such a momentous decision as to dissolve the Club to be agreed-to by least 75% of members in good standing not merely those 'in good standing and personally present'.]
- (iii) Upon dissolution of the Kingston Yacht Club, all Club capital assets shall be placed in the hands of the Club's solicitors who will be charged with the liquidation and / or the distribution of these assets, as necessary.
- (iv) Proceeds resulting from such dissolution and liquidation shall first be applied to eliminate any indebtedness in accordance with the laws of the land.
- (v) The whole of any proceeds residual from the dissolution of its capital and the repayment of its debt shall be distributed among those not-for-profit organizations within the City of Kingston which broadly subscribe to the objectives of the Kingston Yacht Club as articulated in the Letters Patent: "to encourage the building and sailing of yachts, skiffs and canoes, motor boating, rowing, canoeing and all aquatic and other sports among amateurs".

ARTICLE NO. 23. AMENDMENT OF BY-LAWS

- (i) The Board of Directors may vary or rescind any section of these By-Laws, or enact new By-Laws, in accordance with the article entitled: 'Power of the Board of Directors', herein, but any such change, unless in the meantime confirmed at a Special General Meeting, shall be effective only until the next Annual General Meeting, to which it shall be submitted for confirmation of the members. The members may confirm, reject, amend or otherwise deal with such a change and it shall thereafter have effect only if and as finally approved

by the members; but no act done or right acquired prior to the members' rejection, amendment or other dealing is prejudicially affected thereby.

(ii) **Notwithstanding the foregoing, no amendment to limit, rescind or otherwise infringe upon a member's right to vote as described in the articles entitled: "Membership" and "Procedure at General Meetings", herein, shall be effective until confirmed by a simple majority of the members in good standing and personally present at a General Meeting of the members which shall comprise a simple majority of all voting members.**

(iii) Notwithstanding the foregoing, no amendment to limit, rescind or otherwise alter the provisions in the articles entitled "Membership Mooring and Yard Fees" and "Power of the Board of Directors", herein, shall be effective until confirmed **by a simple majority of a General Meeting of the members.**

(iv) **Notwithstanding the foregoing, no amendment to limit, rescind or otherwise alter the article entitled: "Dissolution of the Kingston Yacht Club or the Sale of its Major Assets", herein, shall be effective until it is confirmed by a majority of at least three-quarters of the members in good standing and personally present at a General Meeting of the members which shall comprise a simple majority of all voting members.**

[See note in Article No.22 (ii)]

(v) **No motion to rescinded or amended this article ("Amendment to the By-Laws"), all or in part, shall be effective until it is confirmed by a majority of three-quarters of members in good standing and personally present at a General Meeting of the members which shall comprise a simple majority of all voting members.**

ARTICLE NO. 24. RULES OF ORDER

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Kingston Yacht Club in all cases to which they are applicable and in which they are not inconsistent with these By-Laws and any Special Rules of Order **that** the Kingston Yacht Club may adopt.

ARTICLE NO. 25. REPEAL OF FORMER BY-LAWS

All By-Laws heretofore enacted and still in force are hereby repealed except that the schedule of fees shall continue to have full force and effect. Current holders of wet **and dry** moorings and **boatsheds** shall not lose their rights to such moorings and **boatsheds** upon the enactment of these By-Laws.

ENACTED this _____

WITNESS the Corporate Seal of the Club

Appendix 2.1: KYC By-Laws (2007 Edition) – Rights and Privileges of Membership, by Class and Category

Membership Class:	Full			Senior & Associate														
	Single	Family	Life	Senior	Associate	Introductory	Crew	Social	Intermediate	Junior	Non-Resident	Temporary	*Nominee	Non-Active (Grandfathered)	Honourary	Corporate	Associate Corporate	Corporate Member Nominee
Membership Category	Rights & Privileges [✓]																	
Right to one (1) vote at General Meetings	✓	✓	✓															
Right to Stand for Office	✓	✓	✓															
Right to nominate Candidates for Office	✓	✓	✓															
Right to nominate a Nominee & affiliated Members, w/No Fee		✓	✓															
Right to nominate a *Nominee Member, w/Additional Fee				✓	✓			✗			✓					✓	✓	
10 Membership Points /an	✓	✓	✓															
5 Membership Points /an				✓	✓	✗	✗		✗	✓								
Exempt from Membership Fees			✓												✓			
Wet Mooring	✓	✓	✓															
Boatshed	✓	✓	✓															
Winter Storage	✓	✓	✓															
Community Club Program	✓	✓	✓															
Dry Mooring	✓	✓	✓	✓	✓	✗	✗		✗	✓								
Clubhouse & Property				✓	✓	✗	✗	✗	✗	✓	✓	✓		✓	✓	✓	✓	✓
Racing	✓	✓	✓	✓	✓	✗	✗		✗	✓		✓				✓	✓	✓
Credit Privileges	✓	✓	✓	✓	✓	✗	✗	✗	✗		✓			✓	✓	✓	✓	✓
Learn-to-Sail Programs	✓	✓	✓	✓	✓	✗	✗	✗	✗									
Membership in the CYA	✓	✓	✓	✓	✓	✗	✗		✗	✓								

Changes as of 2007 AGM :	Added	✓
	Removed	✗

Appendix 2.2 KYC By-Laws - Proposed Rights and Privileges of Membership, by Class and Category

Membership Class :	Full			Senior & Associate											
	Single	Family: Member & Nominee	Life: Member (& Nominee)	Corporate	Senior	Associate (& Nominee)	Junior	Non-Resident	Honourary	Non-Active (Grandfathered)	Temporary	Associate Nominee	Corporate	Associate-Corporate	Corporate Member Nominee
Membership Category															
Rights & Privileges [✓]															
Right to one (1) vote at General Meetings	✓	✓✓	✓(✓)	✓✓									✗		
Right to Stand for Office	✓	✓✓	✓(✓)	✓✓											
Right to nominate Candidates for Office	✓	✓✓	✓(✓)	✓✓											
Right to nominate Candidates for Membership	✓	✓✓	✓(✓)	✓✓									✗		
Right to nominate dependents as affiliated Members, w/No Fee	✓	✓	✓												
Right to nominate a Nominee Member, w/No Fee		✓	✓												
Right to nominate a Nominee Member, w/Additional Fee					✗	✓		✓	✓	✗	✓				
10 Membership Points /an	✓	✓	✓												
5 Membership Points /an					✗	✓	✓	✓	✓		✓				
Exempt from Membership Fees			✓						✓						
Wet Mooring	✓	✓	✓												
Boatshed	✓	✓	✓												
Winter Storage	✓	✓	✓												
Community Club	✓	✓	✓												
Dry Mooring	✓	✓	✓		✗	✓	✓	✓	✓	✗	✓		✗	✗	✗
Clubhouse & Property	✓	✓	✓	✓	✗	✓	✓	✓	✓		✓		✗	✗	✗
Racing	✓	✓	✓	✓	✗	✓	✓	✓	✓	✗	✓		✗	✗	✗
Credit Privileges	✓	✓	✓	✓	✗	✓	✓	✓	✓		✓				
Learn-to-Sail Programs	✓	✓	✓	✓	✗	✓	✓	✓	✓		✓				
Member of Long-standing : 'Senior'	✓	✓	✓	✓		✓		✓	✓						
Membership in the CYA	✓	✓	✓		✗	✓	✓	✓	✓		✓				

Proposed Changes for 2009	Add	✓
	Remove	✗

Appendix No.3: Conflict of Interest Policy and a Related Policy to Guide the Purchasing of Goods and Services for the Kingston Yacht Club

Appendix 3.1: A Conflict of Interest Policy for the Kingston Yacht Club

Policy Statement

The Kingston Yacht Club is committed to integrity and fairness in the conduct of all its activities. Directors, members and employees of the Kingston Yacht Club who are in a position to either influence or make decisions on behalf of the Club and its Membership are expected to conduct themselves with personal integrity, ethics, honesty and diligence in performing their duties. They are expected to support and advance the interests of the Kingston Yacht Club and to avoid placing themselves in situations where their personal interests actually or potentially conflict with the interests of the Club.

Scope

This policy applies to all members and employees of the Kingston Yacht Club; and, more specifically, to those members who hold positions of influence and authority within the organization of the Club, such as those who serve on Club Committees or are elected to the KYC Board of Directors.

Definition

A Conflict of Interest occurs when a situation arises in which there is a divergence between a direct personal or pecuniary interest of a KYC director, member or employee not held in common with other members or employees of the Club and that individual's obligations to the Club, such that an impartial observer might reasonably question whether actions or decisions taken or made by the individual relating to that situation would be influenced by consideration of the his or her private interests.

Conflicts of interest may involve not only situations, in which the director, member or employee has a direct personal interest, but also those in which a member of such a person's family has an interest, or those in which the interest is indirect through a corporation, partnership or other entity.

Code of Conduct

It is the responsibility of each KYC director, member or employee to discharge their duties so as to avoid actual or apparent conflicts of interest. Such individuals should strive to identify and raise potential issues before they lead to problems.

On those occasions in which an unanticipated conflict of interest may arise, it is the responsibility of the KYC director, member or employee to immediately disclose the

conflict in full before the Board or committee, verbally and/or in writing, and recuse him or herself from further action on the issue. If such a conflict should arise outside a meeting of the Board or committee, the member or employee should promptly bring the situation to the attention of their reporting superior, Flag Officer and/or the Commodore; or, if a Flag Officer, to the Commodore; and, if the Commodore, to the Board as a whole, so that appropriate steps may be taken to eliminate the conflict or take other appropriate action to mitigate the effect of the conflict.

Authority & Responsibility

The Commodore is responsible for decisions on potential or actual conflicts of interest. Directors are responsible for identifying and presenting a recommendation on a potential or actual conflict to the Commodore. The Commodore, the Flags, the Directors, Members and Employees are each individually responsible for declaring any potential or actual personal conflict of interest they encounter.

In the event of disagreements in resolving a conflict of interest, the issue shall be taken to the next higher authority: Employee or Committee to the Board; Board to Flags; Flags to the Commodore (with, if he or she so chooses, the guidance of an *ad hoc* committee struck to assess and make recommendations); and if the Commodore, to the Board of Directors as a Whole or, if unresolved, to the Membership at a Special General Meeting or an Annual General Meeting.

Process & Procedure

Having declared a conflict of interest, verbally or in writing, the member or employee *should*: physically withdraw from all participation in any direct or related discussions and abstain from voting on the subject; and, *should* refrain from influencing others regarding any associated discussion, decision making or voting. However, no member can be *compelled* to refrain from voting in such circumstances.

In the event that a situation can be seen as a possible conflict of interest but falls outside the definitions provided, herein, the circumstances shall be discussed openly with the whole Board or Committee, a decision taken and noted in the minutes.

Consequences of Failure to Abide or Failure to Disclose

In the event that an individual fails to fully disclose, the KYC Board of Directors may immediately move to sanction the individual by removing him or her from the Board or Committee. Such inaction on the part of the individual may also be grounds for the Board terminating any contract with a firm associated with the offending member.

Mandatory Review

This policy shall be subject to periodic review, however, failure to do so will not nullify this policy. The next review will be: [a date no more than five (5) years from the date this policy is adopted].

Appendix 3.2: A Policy for the Purchase of Goods and Services by KYC

Policy Statement

The Kingston Yacht Club shall not extend favouritism to any vendor. Each order shall be placed on the basis of quality, price, delivery and past performance. However, when all considerations of a bid are equal, preference *may* be given to KYC members' firms, otherwise, an award shall be granted by a drawing of lots. No order shall be placed without the price and delivery having been negotiated and agreed-upon, *a priori*.

Scope

This policy applies to all flag officers, directors and employees of the Kingston Yacht Club who are authorized to make purchases on behalf of the Club.

Spending Approval

No flag officer, director or employee may commit the Club to either a budgeted or un-budgeted expenditure that has not been given prior approval, as defined in these prescribed limits. The only exception to this statement will be in the instance of emergency repairs, for which the office manager or yard steward may initiate remedial actions, immediately, and notifying the Commodore and the appropriate Director or Flag Officer of their actions, promptly thereafter.

Kingston Yacht Club Approvals and Documentation Requirements for Daily Operating Expenses, Capital Expenditures and Contracts:		
Within Approved Budget	Prior Approval Required	Documentation
Up to \$100.00	None Required	Receipt
\$100.01 - \$500.00	Director	E-mail / note & receipt
\$500.01 - \$1,000.00	Director & 1 Flag Officer	Signed Purchase Order (PO)
\$1,000.01 - \$2,500.00	Flags Committee (ideally) but a minimum of 2 Flag Officers	3 Quotes prior to issuing a signed PO approval
Over \$2,500.00	Board (ideally) but, at least, the Flag Officers Committee	3 Quotes prior to issuing a signed PO approval
Un-Budgeted	Prior Approval Required	Documentation
Up to \$500.00	Director & 1 Flag Officer	
\$500.01 - \$2,000.00	Board (ideally) but, at least, the Flag Officers Committee	Signed Purchase Order
Over \$2,000.00	Board of Directors	3 Quotes prior to issuing a signed PO approval

Standard Practice

In all instances, the Kingston Yacht Club shall maintain an 'arm's-length' relationship with all suppliers of goods and services and only in the most unusual and specific of circumstances, and only with the prior agreement of the Board of Directors, will it use an intermediary firm (such as a general contractor) as an agent for the purchase of goods or services. [See, also, 'A Conflict of Interest Policy for the Kingston Yacht Club'.]

It shall be the standard practice of the Kingston Yacht Club, whenever possible, to seek at least three (3) written quotes for the purchase of all goods and services of a value stipulated in the Spending Approval of this policy statement.

A failure of performance clause stipulating mutual responsibilities and liabilities will be a prerequisite element of all contracts and agreements between KYC and the purveyors of goods and services.

Issues of Quality Control, Cost Over-Runs and Failure to Make Timely Delivery

In the event that a project is not brought to completion with a specified standard of quality or within an agreed-upon timeframe, or that an invoice is received that is different from the agree-upon price, then recognized standard practices of purchasing management, such as those advocated by the Purchasing Management Association of Canada, shall guide the actions of the Club.

In such an event, the Director responsible will ensure that the Director of Finance is kept informed of developments in a timely fashion and that, by way of status reports, the Board of Directors is advised of developments until the issue is resolved and acted upon.

If resolution to an issue is not forthcoming in a timely fashion, the Kingston Yacht Club may refuse the invoice and invite the bidder to itemize and justify any additional costs and expenses beyond the submitted bid. A decision to accept or reject the explanation and the discrepant invoice must be approved by resolution of the Board of Directors.

Mandatory Review

This policy shall be subject to periodic review, however, failure to do so will not nullify this policy. The next review will be: [a date no more than five (5) years from the date this policy is adopted].

Adopted by the KYC Board of Directors; 20th February, 2008