

**Amendments approved by the Board on February 12, 2020**  
**Amendments approved by the General Membership on February 17, 2021**  
**Amendments approved by the General Membership on October 18, 2023**

## **South Whidbey Yacht Club (SWYC)**

### **BY-LAWS**

#### **Article I: Name & Location**

**Section 1:** The name of the corporation shall be the South Whidbey Yacht Club (the Club). For legal, banking, burgee and reference purposes, it shall also be known as the SWYC.

**Section 2:** The South Whidbey Yacht Club is organized and incorporated as a not-for-profit corporation organized exclusively for educational and social purposes under RCW Chapter 24.03 and Section 501 (c) (7) of the Internal Revenue Code.

**Section 3:** Notwithstanding any other provision of the bylaws, the corporation shall not carry on any activities not permitted by Section 501 (c) (7) of the Internal Revenue code, or corresponding section of any future successor or amendment to that code.

**Section 4:** The principal office of the South Whidbey Yacht Club SWYC shall be in a place designated by the Board of Directors on Whidbey Island within the State of Washington.

#### **Article II: Purpose and Values**

**Section 1:** The South Whidbey Yacht Club is organized exclusively as an educational and social center for those individuals seeking to learn more about the broad scope of boating, encompassing boating education, development of youth and or adult boating programs, and with a further interest in periodic social gatherings of individuals having like or similar boating interests, including but not limited to programs on boating safety, new equipment and other areas of general interest to boaters .

**Section 2:** The Club's vision and purpose shall be achieved by adhering to the following core values and principles; inclusive participation for all members, a democratic and open decision-making process, equitable and broad member-based volunteerism, practicing safe and responsible recreation for adults and children, and demonstrating a deep respect for the environment

#### **Article III: Membership, Voting and Dues**

**Section 1:** There shall be no requirements for membership in the Club, either formal or informal, that could serve to restrict any applicant from membership because of the applicant's race, color, sexual orientation, national origin or religion. The Board of Directors may at any time recommend to the membership a limit to the total number of members or number of members within each category of membership the Club shall have.

**Section 2:** There shall be the four categories of membership as follows:

1. Family: Family members shall be 18 years of age or more who have paid full initiation fees and dues. The adult(s) and minor children shall be considered a single membership for initiation,

dues and voting purposes. Family memberships shall have no more than two (2) adult members, both of whom may serve as officers and committee members without restriction.

2. Single: Single members shall be 18 years of age or more who have paid full initiation fees and dues.

3. Junior: Junior members shall be those persons who are not eligible for family membership and who are over 12 and under 18 years of age. A junior member may advance to family or single member status on his or her 18th birthday and must advance at year end of the same year as their 18th birthday unless they are a full-time student. Junior members shall not have voting privileges.

4. The Board, at its discretion, may award a Life Membership in recognition of extraordinary circumstance or merit. Life members enjoy all the rights and privileges of family members.

Within each category of membership, those members who joined the South Whidbey Yacht Club on or before May 31, 2004 shall be designated as Founding Members. This designation does not imply any additional rights, privileges or benefits, but serves as recognition for those members who were participants in the original formation of the Club.

**Section 3:** The terms and conditions applicable to all categories of membership may be changed from time to time by the Board of Directors, except as otherwise noted in these By-Laws. Membership in the Club shall commence upon approval by the Board of Directors. Membership shall be suspended for nonpayment of dues and fees for a period up to three (3) consecutive years, after which Membership shall terminate, except as otherwise specifically provided herein. Membership may be reinstated within three (3) years by paying current year dues and fees.

**Section 4:** Each family and single membership shall have one (1) vote on all matters requiring general membership approval and decisions. Only single and family members in good standing (dues paid up at a minimum) shall have voting rights and the privilege of holding elective office.

**Section 5:** Membership does not imply representation of the Club in any matter except as noted in these By-Laws.

**Section 6:** Changes to Initiation fees, dues and payment schedules for all categories of membership shall be recommended and approved by a simple majority of the Board of Directors.

**Section 7:** Membership in the Club may be revoked, by majority Board decision, for the violation of Club By-Laws, rules or conduct detrimental to the good name of the club. No initiation fees, dues or other fees paid shall be refunded to the person whose membership has been revoked.

## **Article IV: Meetings**

**Section 1:** For any issue that requires the vote of the general membership, a simple majority of the members present shall be required. For specific issues, a proxy vote may be allowed but only by the prior decision of the Board of Directors and with fourteen (14) day notice being provided to the voting members.

**Section 2:** The Annual Meeting shall be held in November of each year. The purpose of the Annual Meeting is to review the events of the past year; acknowledge the contributions and work of the outgoing elected officers, committee chairs and members; announce the newly elected

officers and directors of the Club; and plan and discuss new events and ideas for the coming year.

**Section 3:** The General Membership meetings of the South Whidbey Yacht Club (SWYC) shall be held on the third Wednesday of each month or as otherwise set by the Board of Directors. At these meeting the Commodore shall submit a report of the affairs of the Club with such recommendations as the Board deems necessary.

**Section 4** The Board of Directors shall meet monthly on the 2nd Monday of each month or on a recurring date determined by the Commodore

**Section 5:** The Board of Directors may call a special meeting provided that not less than fourteen (14) days' notice is provided to the members. During a special meeting only the items on the announced agenda may be discussed and voted upon.

**Section 6:** Except where inconsistent with these By-Laws, Roberts Rules of Order shall determine the conduct of all Club meetings.

**Section 7:** Written or formal notice to a member shall be by electronic means unless the member elects to be notified by regular mail.

**Section 8:** Member Voting by Mail or Electronic Transmission. Whenever proposals are to be voted upon by members, or Directors or officers are to be elected by members, the Board may determine that the vote will be taken by mail or by electronic transmission provided: (i) the name of each candidate or the text of each proposal to be voted upon are set forth in a record accompanying or contained in the notice of meeting, (ii) the notice provides a deadline for voting (which deadline shall require receipt in the case of mail and transmission in the case of electronic transmission), and (iii) the corporation has designated a postal address and an address, location or system to which the electronic ballot may be electronically transmitted. Only ballots meeting the deadline specified in the notice and sent to the designated postal address or electronically transmitted to the designated address, location, or system shall be counted as voted. Members voting by mail or electronic transmission are present for all purposes of quorum, count of votes, and percentages of total voting power present.

## **Article V: Officers, Board of Directors and Committees**

**Section 1:** The Board of Directors of the club shall comprise of the following: Commodore, Vice Commodore, Rear Commodore, Secretary, Treasurer and up to six, but not less than two Members at Large, one of whom will be the membership Chair. The officers are Commodore, Vice Commodore, Rear Commodore, Secretary and Treasurer. The officers and members shall hold office for one year, commencing on their installation at the Annual Meeting held each year. The officers and members shall be eligible for re-election each year, except that the Commodore shall not serve more than two consecutive terms. The previous commodore shall be the Commodore Emeritus, and serve as a non-voting advisor to the Board of Directors. Subject to approval by the Board, the Commodore may appoint officers and Members during the year providing each individual is then included on the annual election slate for a full one-year term following appointment.

**Section 2:** The government of the Club shall be vested in the Board of Directors, who shall manage the affairs of the Club, control its property, and enforce the preservation of order and compliance to its By-Laws, rules and regulations. The Board of Directors shall meet at least once a month for the transaction of business. A quorum of the Board shall consist of a minimum of 51% of the members, and a quorum shall be required to conduct a Board meeting. At any duly

called meeting of the Board, matters requiring Board attention may be passed by a majority vote of the Board members present. In the event that a vote is evenly split, said matter will be tabled until the next meeting at which time it will be voted on again. This process shall be repeated until such time as a majority vote is achieved. The Board may decide, at its option, to put such contested matters to a vote of the general membership. Meetings of the Board shall be open attendance by the general membership; however, at the Commodore's discretion, he/she may decide on a closed-door session for either the entire meeting, or portions thereof.

Any member of the Board of Directors who shall be absent from three (3) consecutive meetings of the Board without prior approval may be subject to the forfeiture of his/her office. In the event of the resignation or removal of a Board member, the Commodore may, at his/her discretion call a special meeting, or open the next general meeting for election of a new Board member to fill the vacancy for the un-expired term.

It shall be the responsibility of the Board of Directors to appoint the Board of Directors (President, Secretary & Treasurer) of SWYCYSA in October of each year. If any SWYCYSA Director resigns during the year the SWYC Board of Directors shall appoint a replacement.

**Section 3:** The Commodore may form, with the concurrence of the Board of Directors, any standing or special committees as he/she may deem necessary and advisable.

Committee chairs shall be appointed by the Commodore with the concurrence of the Board of Directors. Chair persons shall serve at the pleasure of the Board. Committee members shall be recruited and selected by the committee chair as they deem necessary and appropriate.

**Section 4:** An email vote may be requested by the Commodore and one additional Board member for business felt to be important enough that it cannot wait until the next regular Board meeting. The matter shall be clearly defined in an email to all Board members who will be asked to respond with a YEA or NAY vote as soon as possible. A simple majority of all Board members is necessary for passage. The matter voted on and the results will be entered into the minutes of the next regular Board meeting.

## **Article VI: Duties Of The Officers**

**Section 1:** The Commodore shall act as the Chair of the Board of Directors and Chief Executive of the Club. It shall be the duty of the Commodore to:

1. He/She shall preside at all meetings of the Board of Directors and General Membership meetings or in their absence designate an alternate.
2. He/She shall have the power to call special meetings of the Board for any purpose, to make and sign contracts and agreements in the name and on behalf of the Club with the approval of the Board, and have general management and control of the business affairs of the Club.
3. He/She shall oversee the Treasurer and ensure that the tax reports, statements, and certificates required by the laws under which this Club is organized are properly kept, made and filed according to law, and shall generally do and perform all acts incident to the office of President of a Washington corporation and which are authorized or required by law.
4. He/She shall develop an expenditure and income budget to present to the Board of Directors for approval at the December Board meeting.

**Section 2:** The Vice Commodore shall assist the Commodore in the discharge of his/her duties and in his/her absence or in the case of vacancy of the office of Commodore, shall act as Commodore.

**Section 3:** The Rear Commodore shall assist the Commodore and Vice Commodore in the discharge of their duties, and in their absence or in case of vacancy of these offices to shall act as Vice Commodore or Commodore.

Section 4: It shall be the duty of the Secretary to:

1. Take minutes of all Board, Membership and any special meetings and maintain a record of reports that are submitted.
2. Maintain all corporate records as required by Washington State including:
  - a. Record of actions taken by the board or by a committee on behalf of the board.
  - b. Articles of Incorporation
  - c. Bylaws – Original and Amended
  - d. Six (6) Years Financial Records
  - e. Current Directors
3. Ensure timely communication of relevant notices and announcements of meetings to members as established in the By-Laws and rules of the Club.

Section 5: It shall be the duty of the Treasurer to:

1. Manage the finances of the club under the direction of the Board of Directors.
2. Provide a monthly financial statement and balance sheet to the Board.
3. Have custody of all funds of the Club, which he/she shall deposit and properly maintain and record all financial transactions of the Club, to include deposits and expenditures with proper receipts.
4. Annually prepare and submit to the membership a report on the financial condition of the Club.
5. Prepare, and submit, subject to review by the Commodore, all financial documents required by Federal and State law. He/she shall retain copies of all legal documents filed by the organization.
6. Serve as Treasurer of the SWYCYSA, and also act as a financial liaison between SWYC and SWYCSA.

## **Article VII: Accounts and Funds**

**Section 1:** The Commodore, Vice Commodore and Treasurer shall constitute the Finance Committee of the Club. They shall designate the bank wherein the funds shall be deposited and shall be responsible for overseeing the Club's funds and financial affairs, and will call for an annual review, or may call for an independent audit of the financial records at their discretion. Authorized signatories and levels of authority shall be subject to the approval of the Board. The Club's fiscal year shall be from Jan 1st through December 31st of each year.

**Section 2:** The Treasurer and any other member of the Board of Directors may, at the discretion of the Board, be bonded at the expense of the SWYC in such amount as the Board may determine to be adequate for the protection of the Club.

**Section 3:** The Board of Directors shall be accorded the greatest limitation on individual liability that may be authorized by Washington State Law, provided however, that this limitation shall not eliminate or limit the liability of a Board Member for either acts or omissions that are a result of intentional misconduct. Specific indemnification and limitations may be established as required and detailed in the rules and procedures of the Club.

## **Article VIII: Election of Officers**

**Section 1:** At the August Board of Directors meeting, the Board shall appoint a Nominating Committee consisting of a Chair, two (2) Board Members and two (2) non-Board members. The responsibilities of the Nominating Committee are to; nominate at least one candidate for each Board position, decided by a majority of the committee. The Nominating Committee shall present its report at the regular September meeting of the membership. At the General Membership meeting, additional nominations may be proposed from the floor providing the nomination has at least two (2) seconds by regular members. After the slate of candidates has been determined at the September meeting, the Secretary shall prepare a ballot of all of the nominees and the position for which they are nominated. The ballot shall be mailed to each member prior to the October membership meeting.

**Section 2:** After the slate of candidates has been finalized, the Board shall appoint an Election Officer who shall not be a, member of the Board, nominee, or member of the Nominating Committee. The Elections Officer must receive ballots at least fourteen (14) days prior to the November membership meeting. The nominee who receives the greatest number of votes shall be declared elected to that position. In the case of a tie, the Elections Officer shall determine the winner by lot. The names of the newly elected officers shall be publicly announced and installed at the Annual meeting.

**Section 3:** Members may vote for successor Directors by electronic transmission, provided that the corporation has designated an address, location or system to which the ballot may be electronically transmitted. Any such election shall be conducted as provided by Article IV, Section 8.

## **Article IX: Rules and Procedures**

The Board of Directors shall adopt and publish changes to Club Rules consistent with these By-Laws for the purpose of providing ways and means for the proper government and conduct of the business and affairs of the Club and shall likewise have the right and power to change the same as needed from time to time.

## **Article X: Dissolution**

Upon dissolution of this corporation, the assets shall be distributed for one or more exempt purposes within the meaning and intent of Section 501 (C) (3) of the Internal Revenue Service Code.

## **Article XI: Waiver of Notice**

Whenever any notice is required under the provision of applicable statutes, By-Laws or articles of incorporation, a waiver thereof in writing signed by the person or persons entitled to such notice

whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Signing an approval of any minutes or resolution of any meeting of the Board shall be deemed a waiver of notice thereof.

## **Article XII: Conflict Of Interest Policy**

### **Section 1: Purpose**

The purpose of the **Conflict of Interest** Policy is to protect South Whidbey Yacht Club's (SWYC) tax-exempt interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the SWYC or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### **Section 2: Definitions**

#### **1. Interested Person**

Any director, principal officer, or member of a committee with SWYC Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

#### **2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the SWYC has a transaction or arrangement,
- b. A compensation arrangement with the SWYC or with any entity or individual with which the SWYC has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the SWYC is negotiating a transaction or arrangement.
- d. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- e. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate SWYC Board or committee decides that a conflict of interest exists.

### **Section 3: Procedures**

#### **1. Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with SWYC Board delegated powers considering the proposed transaction or arrangement.

#### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the SWYC Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

#### **3. Procedure for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at the SWYC Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion

- of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the SWYC Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - c. After exercising due diligence, the SWYC Board or committee shall determine whether the SWYC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the SWYC Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the SWYC's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

#### **4. Violations of the Conflict of Interest Policy**

- a. If the SWYC Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain this alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the SWYC Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and correction action.

#### **Section 4: Record of Proceedings**

The minutes of the SWYC Board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the SWYC Board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement and a record of any votes taken in connection with the proceedings.

#### **Section 5: Compensation**

- a. A voting member of the SWYC Board who receives compensation, directly or indirectly, from the SWYC for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the SWYC for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the SWYC Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the SWYC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## **Section 6: Annual Statements**

Each director, principal officer, and member of a committee with SWYC Board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy.
- b. Has read and understands the policy.
- c. Has agreed to comply with the policy, and
- d. Understands the SWYC is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## **Section 7: Periodic Reviews**

To ensure the SWYC operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the SWYC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## **Section 8: Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the SWYC may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the SWYC Board of its responsibility for ensuring periodic reviews are conducted.

**South Whidbey Yacht Club  
Conflict of Interest Form**

Annual Statement

Each director, principal officer, and member of a committee with SWYC Board delegated powers shall sign a statement on their initial election/appointment which affirms such person:

- a. Has received a copy of the conflicts of interest policy.
- b. Has read and understands the policy.
- c. Has agreed to comply with the policy, and
- d. Understands SWYC is a non-profit organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

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**Signature**

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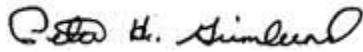
**Date**

## Article XIII: Amendments

The bylaws of the South Whidbey Yacht Club SWYC may be repealed, amended and additional provisions added thereto at any regular or special meeting of the General Membership by following the procedure set forth below:

1. Adoption of a written alteration, amendment or revocation by majority vote of the Board of Directors
2. Providing written notice was given to the members of such By-Law amendment(s) at least 14 days prior to the meeting.
3. Affirmative vote of at least two-thirds (2/3) of the members present at either a special or regular Membership meeting.
4. Recordation of the action as an attachment to the By-Laws in a timely manner.

The foregoing Bylaws were adopted by the Board on the 15<sup>th</sup> February, 2017 and approved by the general membership on 15 March, 2017. Amendments (Article IV Section 8, Article V Section 4, Article VIII Section 3) were adopted by the Board on 11 March, 2020 and approved by the general membership on 17 February, 2021. Amendments (Article III, Section 3; Article III, Section 6; Article VI, Section 1; Article VI, Section 4; Article VI, Section 5: Article VI, Section 5, paragraphs 5, 6 and 7 revised to paragraphs 4, 5 and 6 respectively; Article XII changed to Article XIII) and new article XII added, were adopted by the Board on 3 October 2023 and approved by the general membership on 18 October 2023.



Peter H. Grimlund, Commodore

18, October 2023

Date