

SAN CARLOS YACHT

CLUB

BYLAWS

November 2018

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**BYLAWS OF THE , SAN CARLOS YACHT CLUB A.C.
(CLUB DE YATES DE SAN CARLOS A.C.)
APPROVED BY THE MEMBERS , NOVEMBER 2018**

ARTICLE 1. NAME. The Name of the Association shall be the San Carlos Yacht Club A.C. (hereinafter referred to as "The Club"), and shall operate as a non-profit association under the laws of Mexico. The Club is registered in the Public Register of Commerce, Deed Book No. 250, Deed No. 8094 in the city of Guaymas, Sonora, Mexico. (Article 1, Charter).

In accordance with Articles 14 and 15 of Mexican Law of Foreign Investment, the Association is Mexican in every matter involving:

- A. The stocks or rights it acquires
- B. The goods, rights or investments that belong to the Association
- C. The benefits or duties resulting from contracts and commitments made by the Association (Article 4, Charter)

ARTICLE 2. PLACE OF OPERATION The primary offices of The Club shall be in San Carlos, Nuevo Guaymas, Sonora, Mexico. The Club may have operations and activities in other places within and outside of Mexico at the discretion of the Board of Directors (Article 2, Charter).

ARTICLE 3. PURPOSE. The purpose of the Club is to have a harmonious mixture of aquatic sports, educational activities including navigation and marine science, social activities, and to promote international friendship.

ARTICLE 4. OBJECTIVES. The Club shall have as its primary objectives the promotion of brotherhood among boaters, the participation in aquatic sports, search and rescue, good boating practices and safety, marine educational instruction, and the organization of social activities for the members and their guests. In addition, The Club recognizes the importance of guarding the marine ecology, historical, cultural values, of Mexico. (Article 5, Charter).

ARTICLE 5. MEMBERSHIP. There shall be two classes of membership in The Club: Voting members and Non-voting members. Voting members will be designated "Flag Members", whose fees, costs, rights and responsibilities are further explained in the By-Laws and Standing Rules. Non-voting members, which include certain Honorary Members (Staff Commodores and Life Members), and others as established from time to time by the Board of Directors, will have costs, rights and responsibilities as established by the Board of Directors and further explained in the Standing Rules. (Article 7, Charter).

Section 1. Flag Members

- A. A Flag Member is an individual or couple who has been accepted into The Club and is current in the payment of all dues and fees.
- B. Flag members who are in good standing with the Club are the only members who are entitled to vote on business matters and elect officers and directors of The Club.
- C. Applicants for Flag Membership shall require sponsorship by two existing Flag Members of The Club. The written application will be posted for 30 days in the Clubhouse, and approved by the Membership Committee. During the period of membership application, the proposed member may attend Club activities as a guest of any Flag Member in good standing.
- D. A Flag Member in good standing may sponsor an unlimited number of new applicants annually.

Section 2. Honorary Members

- A. All past Commodores of the Club, hereinafter called Staff Commodores, and certain individuals designated as Life Members, will be considered Flag Members as long as they pay the designated dues and fees to be a Flag Member of the Club. If they choose not to pay the full dues and fees, they will be considered Honorary Members, and will therefore have all of the privileges of an Honorary Member as long as they shall live. If they wish to return to Flag Member status, they may do so by paying only those dues and fees assessed for that calendar year.

ARTICLE 6. SUPREME GOVERNING POWERS.

The supreme governing powers of The Club shall reside in the General Flag Membership, with one vote per membership, at a meeting in person or by proxy, in accordance with these current By-Laws (Article 11, Charter).

ARTICLE 7. MANAGEMENT

The Management of The Club shall be vested in the Board of Directors, hereinafter referred to as The Board. In addition, Executive Officers of The Club (Commodore, Vice Commodore, and Rear Commodore) shall be elected from the Flag Members in good standing, not excluding the members of the Board.

Further, the Board will appoint an Operations Manager, who will manage the daily affairs of the Club as spelled out more fully in the Standing Rules. The Operations Managers may, but need not be, a member of the Club. Compensation, if any, of the Operations Manager will be set by the Board. All Club paid staff will report to the Operations Manager. In the absence of an Operations Manager, the Commodore will fulfill their responsibilities.

Section 1. Board of Directors.

The Board shall consist of eleven (11) Flag Members, and shall govern in accordance with the Club Charter, these Bylaws, the Standing Rules and the Laws of Mexico. The Board shall consist of eight (8) Directors at Large, the Commodore, the Vice Commodore, and the Rear Commodore. Three Directors at Large will be elected at each Annual Meeting to serve for a period of three (3) years. In addition, a replacement director shall be elected at each Annual meeting to complete the term of director elected to the office of Rear Commodore, if required. In addition, the outgoing Commodore shall be an honorary non-voting member of the Board of Directors for a period of one year.

Section 2. Powers of the Board.

- A. The Board shall have the authority to collect and disperse funds, hire and dismiss employees, make purchases of goods and services, control the Club property, and all such other activity not specifically given to the Officers or General membership of The Club.
- B. On an annual basis the Board grants to the Commodore and/or other qualified individual(s) the right to represent the Club before local, state or federal governmental agencies and to sign all legal documents on behalf of the Club.
- C. All actions of the Board are subject to veto or alteration by the members at any Annual or Semi-Annual Meeting. Such veto or alteration will require a two-thirds (2/3) vote of those members in attendance or by proxy.

Section 3. Resignation or Dismissal of Board Members.

- A. Board Member Replacement. A Board Member that has resigned or been dismissed shall be replaced by an appointment of a Flag Member by the majority vote of the Board. This replacement Board Member shall serve until the next Annual or Semi-Annual Meeting of the membership. At that meeting, the replacement board member must be voted upon by a majority of the membership to fulfill the remainder

of the term of the original resigned or dismissed member. Other nominations may be accepted from the floor.

- B. Attendance. A Board Member that has not attended two (2) consecutive board meetings without rendering a sufficient reason in writing to the Commodore shall be dismissed from the Board. The determination of the sufficiency of the reason shall be made by a majority of the Executive Officers.

Section 4. Executive Officers of The Club.

- A. Commodore. The Commodore shall be the Chief Executive Officer of The Club and will act in that capacity. He or his designee will preside at all official and social functions of The Club. He will act as Chairman of the Board and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.
- B. Vice Commodore. The Vice Commodore shall function as Commodore in the absence of the Commodore, and shall assist the Commodore as requested. In addition, the Vice Commodore shall become Commodore upon completion of the term of office of the Commodore.
- C. Rear Commodore. The Rear Commodore shall function as the Commodore in the absence of the Commodore or Vice Commodore.

Section 5. Administrative Officers of The Club.

The Administrative Officers of The Club may or may not be members of the Board, but must be Flag Members of The Club.

- A. Secretary. The duties of the Secretary are to take and publish minutes of all meetings of The Board and the General Membership and to maintain the Membership Records, Bylaws, and Standing Rules in a current state. The Commodore and the Secretary shall sign all minutes of Board and General Membership Meetings. (Article 18, Charter).
- B. Treasurer. The Treasurer shall maintain an accurate set of financial records and report on the financial health of the Club at all meetings of the Flag Members. The Treasurer will disperse funds at the direction of the Board. Signatory authority shall reside in the Treasurer, Commodore, and one additional person appointed by the Commodore. (Article 13, Charter).

- C. Assistant Secretary. The Assistant Secretary shall be appointed by the Board to assume the role of Secretary upon resignation of the Secretary and to assume the duties of Secretary in absence of the Secretary at Board or General Membership Meetings.

Section 6. Standing Committees.

The following standing committees shall be chaired by a Commander, appointed for one year, for that function or activity. Each Commander shall be appointed by the Board as soon as practical after the Annual Meeting and shall follow a prescribed job description. The Board may create additional committees. All Commanders shall provide a report of their activities at the Annual and Semi-Annual meetings. (Article 13, Charter).

- Audit
- Bar
- Boating Activities
- Budget
- Educational: Boating, Safety and Navigation
- Facilities
- Membership
- Quartermaster
- Special Social Events
- Decorating
- Galley
- Fishing Tournaments

ARTICLE 8. MEETINGS.

All meetings of The Club shall be conducted under Roberts Rules of Order except where these rules conflict with these Bylaws, or Mexican Law.

Section 1. General Membership Meetings.

- A. Annual Meeting. The Annual Meeting of the members shall occur on the third Tuesday in March. Only Flag Members in good standing shall be allowed to vote. Honorary members may attend in a passive mode (silent listening only). In the event that this date is the Tuesday before Easter Sunday, the meeting may be postponed one week. The Installation Ceremony for the new Commodore will be held on Friday following the Annual Meeting.

- B. Semi-Annual Meeting. The Semi-Annual Meeting shall occur on the Tuesday following the U.S. holiday of Thanksgiving. Only Flag Members in good standing shall be allowed to vote.
- C. Special Meetings. Special Meetings of the membership may be called by a majority of the Board of Directors. Twenty (20) percent of the Flag Members in good standing may request a special meeting with original signatures on the request.
- D. Quorum. Any General Membership meeting shall be deemed convened when thirty (30) percent of the Flag Members in good standing at the time of the meeting are in attendance either in person or by proxy, except those meetings relating to Article 9, Sections 1, 4B, 5 and 9 where a quorum of fifty-one (51) percent of the Flag Members in good standing is required. The quorum to consider dissolution (Article 12) is fifty-one (51) percent of the members with no proxies. The Commodore, Vice Commodore, or Rear Commodore must be in attendance to have a duly constituted meeting.
- E. Voting Rights. Each Flag Membership, whether single or a couple, shall have only one vote. The Commodore or other Executive Officer acting as Chairman of a Membership Meeting shall not have a vote unless it is required to break a tie.
- F. Notice. A notice shall be mailed, mailed electronically, or hand delivered to each Flag Member at least fifteen (15) days, but not more than sixty (60) days prior to any meeting of the General Membership. Such notice shall include the place, date, time and agenda of the Meeting and shall include proxy forms. The notice must include any motion to be considered concerning new member fees, dues, special assessments, purchase or real property, or dissolution of The Club, and may include any other motion or information The Board so designates.
- G. Proxies. Written proxy forms may be submitted by any Flag Member in good standing to designate any other Flag Member in good standing to vote in his stead. These forms must be signed by the designator and presented by the designee to the Club Secretary prior to the start of any meeting of the General Membership. The proxy as a minimum is to include:
1. Date of meeting at which proxy is to be voted.
 2. Name of the Flag Member to whom proxy is sent by The Club.
 3. Name of the Flag Member authorized to vote the proxy - undesignated proxies will be declared invalid by the Secretary
 4. Signature of Flag Member giving proxy.

Motions to be voted upon may be added to the proxy form at the discretion of the Board and these votes will be recorded by the Secretary. Written Proxy Forms will be sent with the Call to Meeting.

Section 2. Board Meetings.

- A. Frequency. The Board shall meet the first Friday of each month or otherwise as voted by the Board. A special meeting of the Board may be called by the Commodore or by three (3) or more Board Members.
- B. Quorum. A quorum at any meeting shall be six (6) members of the Board and must include either the Commodore or Vice Commodore.
- C. Notice. One week's notice to all Board Members shall be required for any meeting. The notice shall be made by telephone directly to the Board member, conventional or electronic mail, or personal notification.
- D. Voting Rights. The Chairman at any Board Meeting shall only vote to break a tie on a vote of the Board Members present.

ARTICLE 9. SELECTION AND SUCCESSION OF BOARD MEMBERS AND OFFICERS

Section 1. Nominating Committee. The Board of Directors shall appoint a Nominating Committee for the purpose of nominating Flag Members for election to the Board of Directors. The Nominating Committee will consist of the Vice Commodore, one (1) Staff Commodore, and four (4) Flag Members. Names of the nominees shall be published and included in the Notice for the Annual Meeting. Other nominations may be made from the floor during the Annual Meeting.

Section 2. Elections. A Board Member or Executive Officer of the Club must obtain a majority of votes of the members present, in person or by proxy, at a meeting of the membership in order to be deemed elected. There will be no limit to the number of terms a Board Member can serve, Executive Officers may be re-elected to a second term of one year, but may not serve more than two consecutive terms in the same office.

Section 3. Vice Commodore. The Vice Commodore will be elected from the membership not excluding a Board member, at the election at the Annual Meeting, to serve a two year term, the second year as Commodore. If the Vice Commodore is elected from the Board, a replacement board member will be elected immediately in accordance with these Bylaws. In the event of a vacancy in the Office of the Commodore, the Vice Commodore will assume

the duties and become the Commodore for the balance of that year and for the ensuing year.

Section 4. Rear Commodore. The Rear Commodore will be elected from the membership, not excluding a Board Member, at the Annual Meeting, to serve a three year term, the second as Vice Commodore, and the third as Commodore. If the Rear Commodore is elected from the Board, a replacement board member will be elected immediately in accordance to these bylaws. Should a vacancy occur in the Office of Commodore, or Vice Commodore, the Rear Commodore shall assume the office for the Vice Commodore for the balance of the year. A new Rear Commodore will then be elected at the next General Meeting of the membership.

Section 5. Terms of Office. All terms of the Commodore, Vice Commodore and Rear Commodore and newly elected Board Members shall begin with the Passing of the Flags at the Annual Commodore Installation Ceremony. Commanders shall begin their term of office upon being appointed at the first Board Meeting following the Annual Installation Ceremony (or as soon as possible), and shall serve until their successor is appointed.

Section 6. Compensation. All Executive Officers, Board Members, and appointees shall serve without pay.

Section 7. Removal of Officers. Any Executive or Administrative Officer may be removed from office by a two-thirds (2/3) vote of the Flag Membership, in attendance in person or by proxy, at a Special Meeting called for this purpose.

ARTICLE 10. FINANCIAL INFORMATION

Section 1. Audit. The Board shall annually appoint an Audit Committee of three (3) members who shall conduct an audit of the financial records of The Club. The Audit Committee shall present its report at the Annual Meeting. The Audit Report will cover the period 1 January to 31 December of the previous year.

Section 2. Purchase of Real Property. The Board shall purchase for the Club in accordance with Mexican Law any real property so authorized by the Flag Members. The request for authorization shall include the method of financing this purchase and shall be included in the Notice of the Meeting. This authorization will be considered at any general meeting of the Flag Members where fifty-one (51) percent of the Flag Members in good standing are present in person or by proxy. The purchase shall be deemed authorized if two-thirds (2/3) of those in attendance in person or by proxy approve of the purchase. (Article 13, Charter).

ARTICLE 11. AMENDMENT. These bylaws may be changed or amended at any meeting of the Flag Members where the Notice of the meeting included the exact wording of the proposed change or amendment. Flag members reserve the right to change, modify or amend the proposed changes or amendments at the meeting. Approval of said change or amendment shall require a two-thirds (2/3) affirmative vote of those in attendance in person or by proxy.

ARTICLE 12. STANDING RULES. Standing Rules may be proposed by the Board for the governance and conduct of the Club affairs. Such rules shall not be inconsistent with the provisions of these bylaws and shall be incorporated by reference. These Standing Rules may be amended or deleted, and new ones created at any meeting of the Board of Directors by an affirmative vote of at least eight (8) members of the Board including the Commodore.

ARTICLE 13. DISSOLUTION. The Club may be dissolved at any meeting of the Members so called to consider that question. Notice of such intent must be in the Call for Meeting provided to the members 30 days in advance of the meeting. A quorum for this meeting shall be fifty-one (51) percent of the Flag Members in good standing at the time of the said meeting. No proxies shall be allowed. An affirmative vote to dissolve will require two-thirds (2/3) vote of those in attendance. Upon dissolution of the Club by action of the Flag Members, the remaining assets, after all obligations have been paid, shall be disposed of as directed by Article 21, Charter providing this is in accordance with Mexican Law.

ARTICLE 14 MEXICAN LAW – USE OF MEMBER YACHTS

Section 1. CLASS. Any pleasure or sport boat shall be known to The Club as a Yacht. The Mexican Yachting Regulations provide that a yacht is any boat designated for pleasure boating. Class A is those yachts which can travel between international ports. Class B is those smaller yachts which may travel inside Mexican ports, and Class C is those privately used boats, with inboard or outboard motors, which can be transported by land.

Section 2. USE. Members shall use their yachts exclusively for sport and recreational purposes and no charter of commercial operations are allowed, unless the yachts are under Mexican Flag and prior arrangements are made through the Mexican Commercial Marine operation.

Section 3. LAWS. Members shall commit themselves to comply with all laws affecting their activities in the Club, such as immigration, customs, health, and marine. Members shall commit themselves to behave in a

decent and logical way and not to infringe on the normal rules of decency or local police ordinances.

Section 4. FEDERAL REGULATIONS

Members shall agree to comply with the Mexican Federal Yachting Regulations published July 19, 1940, and enforced by the Mexican Department of Law, and any subsequent regulations.

Section 5. EQUIPMENT. All yachts must have all navigational instruments in constant working condition and they must have under constant check, their fire and lifesaving equipment. Yachts are subject to inspection by Mexican Navy Officers.

Section 6. LOAN AGREEMENT. Members may agree to loan their boats for Club Sponsored courtesy rides when high Mexican Officials or Foreign Dignitaries may visit The Club, provided the activity is sanctioned and selection is approved by the Commodore or Vice Commodore or Board of Directors.
