

**NEPEAN SAILING CLUB
BY-LAW NO. 1**

This by-law was adopted by the members of the Nepean Sailing Club on 16 April, 2002; approved by the City of Ottawa on 12 February, 2002 and supercedes all previous by-laws.

Article 1 Name, Objects, Not For Profit Status

- 1.1 The name of the organization shall be the Nepean Sailing Club (the “Club”) The facilities of the Club are located in Dick Bell Park on the south side of the Ottawa River between Andrew Haydon Park and Rocky Point in the City of Ottawa.
- 1.2 The objects of the Club shall be to promote and support competitive sailing, cruising and pleasure boating, provide sail training, maintain facilities for the recreational and social activities of its members and such other complementary purposes not inconsistent with these objects.
- 1.3 The Club shall carry out these objects as a private corporation without share capital and without the purpose of gain for its members and any profits shall be used to promote its objects, as evidenced by its Letters Patent issued 29 April 1980.

Article 2 Interpretation

- 2.1 In these by-laws and in all other by-laws of the Club hereafter passed unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.
- 2.2 For the purposes of this by-law,

“Adult Member” means an individual, 18 years of age or older as of the first day of November in the current fiscal year.

“Associate Member” means an individual, 18 years of age or older as of the first day of November in the current fiscal year, an association, a corporation or other organization who does not meet the criteria of any other membership class.

“Crewing Member” means an individual, 18 years of age or older as of the first day of November in the current fiscal year, who wishes to join the Club for the purposes of crewing or participating in the Club’s social activities.

“Family” means either:

- (a) two people, one of whom is 18 years of age or older as of the first day of November in the current fiscal year, who comprise a couple related by marriage or by a commitment to care for one another, **or**
- (b) an individual, 18 years of age or older as of the first day of November in the current fiscal year, or a couple, one of whom is 18 years of age or older as of the first day of November in the current fiscal year, with at least one child under the age of 18 as of the first day of November of the current fiscal year.

“Family Member” means a family.

“Flag Officers” means officers of the Club, other than Non-Flag Officers, and shall consist of the Commodore, the Vice-Commodore, the Rear-Commodore and the Fleet Captain.

“Harbour” means a portion of the Ottawa River on Lac Deschenes located at Dick Bell Park consisting of that body of water enclosed by the breakwater and the dry sail area, the entrance channel within the markers, the areas surrounding the dry sail launch ramps, and the dry sail park.

“Honorary member” means an individual who has been awarded this type of membership by a unanimous vote of the Board of Directors.

“Mooring privileges” means permission from the Club to use one place within the Harbour to moor a vessel (“wet mooring”) and/or one place on Club property to moor a vessel (“dry mooring”).

“Non-Flag Officers” means officers of the Club, other than Flag Officers, and shall consist of the Immediate Past Commodore, Secretary, Treasurer, Director of Membership, Director of Public Relations, Director of Sail Training Programs and Social Director.

“Officer” means a Flag Officer, Non-Flag Officer or any employee of the Club designated as an Officer of the Club for the purposes of attaining the objects of the Club.

“Out-of-Town Member” means a former Adult or Family member of the Club, other than an Honorary member, 18 years of age or older as of the first day of November in the current fiscal year, who resides more than one hundred and twenty kilometers from the Club premises for more than three consecutive months during the period of May 1 to November 1 of the current fiscal year.

“Student Member” means an individual who is:

- a) not less than 12 but not more than 18 years of age on the first day of November of the current fiscal year, or
- b) 18 years of age or older on the first day of November of the current fiscal year and who is in full time attendance at a recognized high school, college, university or other institution of higher learning.

“Voting rights” means the right to exercise one (1) vote each at each meeting of the Members.

Article 3 Membership

3.1 Membership is open to all persons interested in furthering the objects of the Club and shall consist of those whose application for admission as a member has been accepted by the Board of Directors.

3.2 The membership of the Club shall be divided into seven classes, defined as follows:

- Adult Members
- Family Members
- Crewing Members
- Student Members
- Out-of-Town Members
- Honorary Members
- Associate Members

Adult members shall be entitled to mooring privileges and voting rights and will accumulate one point for each year of membership.

Family Members shall, collectively, be entitled to mooring privileges and voting rights and will accumulate one point for each year of membership.

Crewing members shall not be entitled to mooring privileges or voting rights and cannot accumulate points for each year of membership.

Student members will accumulate one point for each year of membership and, if over the age of 18, shall have voting rights. Student members, however, shall only be permitted to use a dry mooring.

Out-of-town members may retain their entitlement to Club benefits derived from points previously accumulated but shall not have mooring privileges nor have voting rights. Out-of-town members cannot accumulate points.

Honorary memberships may be granted for periods of time as may be established at the discretion of the Board of Directors but not longer than one (1) year from the date such membership is granted. Honorary members cannot accumulate points, shall not have mooring privileges or voting rights.

Associate memberships may be granted for periods of time as may be established at the discretion of the Board of Directors but not longer than one (1) year from the date such membership is granted. Associate members, at the discretion of the Board of Directors, may be granted mooring privileges but shall not have voting rights and cannot accumulate points.

- 3.3 Members shall pay such fees, including membership and initiation fees, and other monies as fixed periodically by the Board of Directors.
- 3.4 Members, upon acceptance of their application for membership and payment of fees, if the latter is applicable to their class of membership, are deemed to have notice of and to agree to be bound by these by-laws, any amendments, and by all rules, regulations or policies adopted for the management of the Club by the Board of Directors.
- 3.5 Each application for, or renewal of, membership shall include, or otherwise be deemed to include, a provision whereby, upon acceptance of the application and payment of fees, if applicable to that class of membership, the member acknowledges and accepts:
 - (a) that any loss or damage suffered by such member to his/her property, whether through any act of negligence by officers, other members or Club employees; in the conduct of racing or other activities of the Club; in the occupation and control of the Club's property or by virtue of any relationship of bailor and bailee shall be borne by him/her and the Club shall have no responsibility or liability whatsoever; and
 - (b) where, in the opinion of the Board, the conduct of a member may endanger or has endangered the safety of any person on Club property or Club property, that member may have their privileges to use Club facilities withdrawn, be disciplined or expelled from membership in the Club, upon such terms and conditions as are deemed, in the opinion of the Board, necessary and advisable, provided that the Board may only expel

- members from the Club following a determination of misconduct by a committee established for the purpose of examining the conduct in question and a vote on a motion to expel where three-quarters of the members of the Board voting on such a motion vote in the affirmative.
- 3.6 The maximum number of members, in total or by class, to be accommodated in the Club during the current year, shall be established by the Board of Directors.
- 3.7 Any Member may withdraw from the Club by delivering a written resignation to the Director of Membership of the Club.
- 3.8 Membership in the Club is not, directly or indirectly, transferable.

Article 4 Board of Directors

- 4.1 The property and business of the Club shall be managed by the Board of Directors, which shall be composed of Flag Officers and Non-Flag Officers. Directors shall be individuals, members in good standing of the Club of a membership class that has voting rights, at least eighteen (18) years of age and have power under law to contract.
- 4.2 The Members of the Board of Directors, other than the Immediate Past Commodore, shall be elected at the Annual Meeting of Members. Directors shall serve for a term from the date of their election, or appointment in the case of a vacancy, until the next Annual Meeting of Members after their election or appointment.
- 4.3 Members of the Board may not serve more than three (3) consecutive terms in the same office.
- 4.4 The office of a Director shall be automatically vacated:
- (a) if a Director resigns by delivering a written resignation to the secretary of the Club;
 - (b) if a Director is found by a court to be of unsound mind;
 - (c) if a Director becomes bankrupt or is unable to pay his/her debts as they become due;
 - (d) if at a special general meeting of the Members, a resolution is passed by at least sixty-six and two thirds percent (66 2/3%) of the Members present at such meeting

that a Director be removed from office; or

(e) on death;

provided that if any vacancy shall occur for any reason contained in this section, the Board of Directors by majority vote may fill the vacancy. If a vacancy occurs as a result of any of the foregoing reasons which is not filled by the Board of Directors, the Directors remaining in office may exercise all the powers of the Board of Directors provided that a quorum of Directors remains in office.

- 4.5 Any Director who misses three consecutive board meetings during their term of office shall be deemed to have resigned their position. The Board may reinstate that person to the Board or appoint another person to that position.
- 4.6 A retiring Director whose resignation stipulates that it is not to be effective until a certain meeting of the Board of Directors or the Members shall remain in office until the dissolution or adjournment of the meeting at which that Director's resignation is to be effective.
- 4.7 The Directors shall serve as such without remuneration and no Director shall directly or indirectly receive any profit from his/her position as such, provided that a Director may be paid reasonable expenses incurred by him/her in the performance of his/her duties. Nothing contained herein shall be construed to preclude any Director from serving the Club as an employee or contractor or in any other capacity and receiving compensation therefor.

Article 5 Powers of Board of Directors

- 5.1 The Board of Directors, except as otherwise specifically provided in this by-law, may administer the affairs of the Club in all things and make or cause to be made for the Club in its name, any kind of contract which the Club may lawfully enter into and generally, may exercise all such other powers and do all such other acts and things as the Club is by its Letters Patent or otherwise authorized to exercise and do. Without limiting the generality of the foregoing and subject to Article 5.3 and 5.4, the following sections of this Article enumerate more specific powers, limitations and responsibilities.
- 5.2 The Board of Directors, for the purposes of furthering the Club's objects, may from time to time:
- a) borrow money upon the credit of the Club;

- b) limit or increase the amount to be borrowed;
- c) issue debentures or other securities of the Club;
- d) pledge or sell such debentures or other securities for such sums and at such prices as may be deemed expedient; and
- e) secure any such debentures, or other securities, or any other present or future borrowing or liability of the Club, by mortgage, hypothec, charge or pledge of all or any currently owned or subsequently acquired real and personal, movable and immovable, property of the Club, and the undertaking and rights of the Club.

The Board of Directors may delegate such powers to Directors to such extent and in such manner as the Board of Directors may, by resolution, determine. Except as provided in this by-law, nothing herein limits or restricts the borrowing of money by the Club on bills of exchange or promissory notes made, drawn, accepted, or endorsed by or on behalf of the Club.

- 5.3 Notwithstanding any provision of the Club's by-laws, the Club shall not incur any liabilities without prior approval of the appropriate official or officials of the City of Ottawa, except in the ordinary course of business and in no event, without such approval shall the total thereof exceed Fifty Thousand (\$50,000) Dollars.
- 5.4 Notwithstanding any provision of the Club's by-laws, the Board of Directors shall not have the authority to expend more than Thirty Thousand (\$30,000) Dollars on a single non-budgeted expenditure item or project without the approval of the appropriate official or officials of the City of Ottawa and the majority of members of the Club present at a general meeting of the Club where such single expenditure item or project has been presented to and voted on by those members of the Club holding voting rights.
- 5.5 The Board of Directors shall take such steps as they may deem requisite to enable the Club to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments, payments and donations of any kind whatsoever for the purpose of furthering the objects of the Club. The Board of Directors shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of promoting the interest of the Club in accordance with such terms as the Board of Directors may determine.
- 5.6 The Board of Directors may:

- a) appoint such agents and hire such employees as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as determined by the Board of Directors,
- b) delegate by resolution to an Officer, Officers or Manager the right to hire and pay salaries to employees or to terminate the employment of any employee where warranted; and
- c) fix a reasonable remuneration for any of its agents or employees.

5.7 The Board of Directors may establish policies, rules and regulations in respect to the decorum of members and guests of members; the safety and seaworthiness of craft; the care and use of Club property, including the Harbour; the allocation of boat mooring and storage; the rights and privileges of members in regard to the use of Club property and such other matters as may be considered by the Board to require regulation in order to ensure the proper maintenance of Club property and the attainment of the objects of the Club.

5.8 A Director or Member having voting rights may request amendment of any policy, rule or regulation by the Board of Directors and the Board may, by majority vote, pass a motion to make the requested amendment. Prior to any Board vote on a motion to amend a policy, rule or regulation, the Board shall refer the motion and the proposed change in a policy, rule or regulation to the Commodores' Committee for review to determine whether the proposed amendment conflicts with this by-law or any other policy, rule or regulation.

Article 6 Duties of Flag Officers

6.1 The Commodore shall be the chief executive of the Club and responsible for the general and active management of the affairs of the Club. The Commodore shall see that all orders and resolutions of the Board of Directors are carried into effect and shall perform such other duties as may be determined by the Board of Directors from time to time. Unless otherwise provided for in this by-law, the Commodore shall appoint committee chairpersons and ensure that all officers and employees perform their assigned duties. When present, the Commodore shall preside over all meetings of the Members of the Club and meetings of the Board of Directors.

6.2 The Vice-Commodore shall, in the absence or disability of the Commodore, perform the duties and exercise the powers of the Commodore and shall perform such other duties as may be determined by the Board of Directors from time to time. The Vice-Commodore shall also be responsible for the operation and maintenance of the Club facilities, including bar and office operations, hall rentals, as well as the appearance and workings of all Club facilities except those assigned to the Rear-Commodore. The Vice-Commodore shall be

the Club's operations and maintenance liaison with the City of Ottawa. The Vice-Commodore shall also be responsible for the management of all Club staff.

- 6.3 The Rear-Commodore shall, in the absence or disability of the Commodore and Vice-Commodore, perform the duties and exercise the powers of the Commodore and shall perform such other duties as may be determined by the Board of Directors from time to time. The Rear-Commodore shall also serve as Harbour Master and shall be responsible for the management and maintenance of the Harbour, including mooring allocations; installation of docks and moorings; co-ordination of the annual launch and haulout; maintenance of equipment, positioning Club vessels and facilities within the Harbour; and boating safety issues, including but not limited to, the marking of major submerged hazards to sailing in the immediate vicinity of the Club, such as Harbour channel buoys and the NSC private navigation marks.

The Rear-Commodore may, at his or her discretion, serve as chair of the Mooring Allocation Committee. In the event he or she declines to serve as chair, the Rear-Commodore shall appoint the chair of the Mooring Allocation Committee. Subject to the direction of the Board of Directors, the Rear-Commodore shall also serve as the Club's liaison with government officials on Harbour-related issues.

- 6.4 The Fleet Captain shall coordinate all keelboat and small craft racing activities sponsored by the Club, except for those related to youth training, including all series races, long-distance races, women's races and regatta, novelty races, the Sail Past and Club regatta. The Fleet Captain shall also assist in organizing other sailing or fleet activities as approved by the Board.
- 6.5 Flag Officers shall also perform such other duties as may from time to time be determined by the Board.

Article 7 Duties of Non-Flag Officers

- 7.1 The Immediate Past Commodore shall act as an adviser to the Commodore and the Club in general, chair the Commodores' Committee and shall perform such other duties as may be determined by the Board of Directors from time to time. In the absence or disability of the Immediate Past Commodore, the preceding Past Commodore shall assume the duties of the Immediate Past Commodore. Failing the availability of a Past Commodore, the Board of Directors may appoint a member in good standing of the Club.
- 7.2 The Secretary shall be responsible to carry on the affairs of the Club generally under the

supervision of the Directors and shall attend all meetings of the Board of Directors and act as clerk thereof and record all votes and minutes of all proceedings in the books of the Club to be kept for that purpose. The Secretary shall give or cause to be given notice of all meetings of the Members and of the Board of Directors, and shall perform such other duties as may be specified by the Board of Directors or Commodore, under whose joint supervision he/she shall be. The Secretary shall be custodian of the seal of the Club, which he/she shall deliver only when authorized by a resolution of the Board of Directors to do so and to such person or persons as may be named in such resolution. The Secretary shall also perform such other duties as may be determined by the Board of Directors from time to time.

- 7.3 The Treasurer shall be responsible for the keeping of full and accurate accounts of all receipts and disbursements of the Club in proper books of account and for the deposit of all monies or other valuable effects in the name and to the credit of the Club in such bank or banks as may from time to time be designated by the Board of Directors.

The Treasurer shall disburse the funds of the Club under the direction of the Board, taking proper vouchers thereof, and shall render to the Board at the regular meetings thereof or whenever required, an account of all the Club's financial transactions, and of the financial position of the Club.

At the annual general meeting of Members, the Treasurer shall provide a statement of the income and expenditures of the Club for the past year.

- 7.4 The Director of Membership shall be responsible for the management of the Club's membership records and boatyard inventory, including responsibility for collection of membership and mooring fees. The Membership Director shall also be responsible for assembling and publishing the Members' Handbook and for volunteer recruitment.
- 7.5 The Director of Sail Training Programs shall be responsible for the management of the Club's sailing school, including support and sailing facilities for specialized programs as specified by the Board.
- 7.6 The Social Director shall be responsible for the Club's social program.
- 7.7 The Director of Public Relations shall be responsible for promoting the Club and Sailing School to the community; preserving club history; coordinating community service activities; publishing the Club newsletter and maintaining Club information provided in electronic format.

7.8 Non-Flag Officers shall also perform such other duties as may from time to time be determined by the Board.

Article 8 Committees

8.1 The Board of Directors may, by resolution, establish committees on such terms and conditions as the Board of Directors deems appropriate, whose members will hold their offices at the discretion of the Board of Directors or as otherwise determined by the Board of Directors.

8.2 All members of the Club are eligible to serve on committees.

8.3 The following committees shall be standing committees of the Club:

- a) Harbour Committee,
- b) Mooring Allocation Committee,
- c) Discipline Committee,
- d) Fleet Committee,
- e) Nominating Committee,
- f) Sail Training Committee,
- g) Commodores' Council

8.4 The terms of reference of any committee established by the Board of Directors shall be appended to the minutes of the Board of Directors meeting where the decision to establish the committee was made.

Article 9 Meetings of the Board of Directors

9.1 Except as otherwise required by this by-law, the Board of Directors may hold its meeting at such place or places as it may from time to time determine. No formal notice of any such meeting is necessary if all Directors are present, or if those absent have signified their consent to the meeting being held in their absence. The Board may appoint a day or days in any month or months for regular meetings at an hour to be named and of such regular meeting no notice need be sent. Special meetings of the Directors shall also be formally called by the Commodore or by the Secretary on direction in writing of three Directors. Notice of such meetings shall be delivered, telephoned or sent by electronic mail to each Director not less than one day before the meeting is to take place, or shall be mailed to each Director and postmarked not less than five days before the meeting is to take place.

The statutory declaration of the Secretary or Commodore that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. A Directors' meeting may also be held, without notice, immediately following the annual general meeting of the Club. Subject to requirements respecting notice, the Directors may consider or transact any business, either special or general, at any meeting of the Board.

- 9.2 A majority of the number of Directors shall constitute a quorum at any meeting of the Board of Directors.
- 9.3 Each Director, other than the Chairperson, shall be entitled to exercise one (1) vote at each meeting of the Board of Directors. Except as expressly provided in the by-laws of the Club or unless otherwise expressly provided by *The Corporations Act*, at all meetings of the Board of Directors, every question shall be determined by a majority of votes cast at the meeting. The Chairperson shall not have a vote except in the case of a tie in which case the Chairperson shall cast the deciding vote. A declaration by the Chairperson of the meeting that a resolution has been carried and an entry to that effect in the minutes shall be prima facie proof of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 9.4 The Commodore or, in the absence of the Commodore, the Flag Officer or Non-Flag Officer acting in place of the Commodore, shall act as Chairperson. All acts or things done or passed at any meeting of the Board, or by any person acting as a Director, notwithstanding that it is afterwards discovered that there was some defect in the appointment or election of any such Director or person so acting, or that they, or any of them, were disqualified, shall be valid as if every such Director or person had been duly appointed or was qualified to hold office.
- 9.5 If all members of the Board of Directors consent thereto in advance, generally or in respect of a particular meeting, and all members have equal access, a Director may participate in a meeting of the Board of Directors by means of such video, telephone or other communications facilities as permit all persons participating in the meeting to communicate with each other, and a Director participating in such a meeting by such means is deemed to be present at the meeting. Quorum shall be established by a roll call conducted by the Secretary at the beginning of each particular meeting. Each vote cast by a Director participating by means of a communications facility shall be recorded in the minutes by the Secretary.

9.6 A resolution signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted. Such a resolution may be signed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For greater certainty, an electronic signature constitutes a signature for the purposes of this Article.

Article 10 Meetings of Members

10.1 Meetings of the Members shall be either an annual meeting or a special meeting. The annual or any special meeting of Members shall be held at any place and on such date as the Board of Directors may determine, provided that the annual meeting shall be held within three months of the end of the fiscal year.

10.2 Ten percent of the members of the Club or 30 members, whichever is the smaller, having voting rights, shall constitute a quorum at any such meeting.

10.3 At every annual meeting of the Members, in addition to any other business that may be transacted, the report of the Board of Directors, the financial statements and the report of the auditors shall be presented and auditors appointed for the ensuing year. The Members may consider and transact any business, which the Members under applicable law are so authorized to transact, at any meeting of the Members.

10.4 The Board of Directors and the Chairperson shall have power to call a special meeting of the Members at any time or when a majority of the Board deems it advisable or necessary, for any purpose relating generally to the management of the affairs of the Club. The Board of Directors shall call a special meeting of the Members on written request of ten per cent (10%) of the Members having voting rights, such meeting to be held within thirty (30) days of receipt of such request.

10.5 No public notice or advertisement of general members' meetings, annual or special, shall be required, but ten (10) days written notice by mail, or electronic mail if the Member has previously consented to the use of electronic mail, shall be given to the Members of any annual or special meeting of the Members. Notice of any meeting shall contain sufficient information to permit the Members to form a reasoned judgement on any matter to be considered at such meeting. No error or omission in giving notice of any annual or special meeting or any adjourned meeting, whether annual or general, shall invalidate such meeting or make void any proceedings taken thereat and the Members may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. The statutory declaration of the Commodore or the

Secretary that notice has been given shall be sufficient and conclusive evidence of the giving of such notice. For the purpose of sending notice to any member the address of any member shall be his last address of record on the books of the Club.

- 10.6 Members may not vote by proxy and no member shall be entitled to vote at meetings of the Club unless he has paid all dues or fees, if any, then payable by that Member.
- 10.7 Except as expressly provided in the by-laws of the Club or unless otherwise expressly provided by *The Corporations Act*, at all meetings of the Members, every question shall be determined by a majority of votes cast at the meeting. A declaration by the chairman of the meeting that a resolution has been carried and an entry to that effect in the minutes shall be prima facie proof of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution. Any member may request that number or proportion of the votes recorded in favour or against such resolution be recorded and stated in the minutes.
- 10.8 Notwithstanding any provision of the Club's by-laws, any proposal proposing
- a) the spending of the Club funds, or
 - b) the adoption of policies or plans that imply the spending of Club funds to further their objectives,

presented at an annual or special meeting of the Club shall require notice of the proposal to be included with the required notice of meeting. Failure to provide prior notice of the proposal shall render any adoption of the proposal void.

Article 11 Minutes of Board of Directors

- 11.1 The minutes of meetings of the Board of Directors and Members shall be available to the Board of Directors, Members, and such representative(s) of the City of Ottawa as the City may designate.

Article 12 Notice

- 12.1 For the purpose of sending notice to the Members or a Director for any meeting or otherwise, the address of the Members, Director or Officer shall be his/her last address recorded on the books of the Club.
- 12.2 Notice of any motion to be made at any general meeting of the Club, when such motion

purports to, or is likely to, alter, affect, amend or repeal this or any other by-law of the Club, shall be given in writing to each member at least ten (10) days prior to the date set for any such meeting. The non-receipt of such notice by any member shall not invalidate the proceedings of any such meeting.

Article 13 Indemnification of Directors and Officers

13.1 The Club shall indemnify and save harmless the Directors and Officers of the Club and their heirs, executors and administrators from and against all cost, charges and expenses including any amount paid to settle an action or to satisfy a judgment, reasonably incurred by Directors or Officers in respect of:

- a) any civil, criminal or administrative action or proceeding to which the Director or Officer is made a party by reason of being or having been a Director or Officer of the Club; or
- b) any action by or on behalf of the Club to procure a judgment in its favour to which the Director or Officer is made a party by reason of being or having been a Director or Officer of the Club, if the Club obtains any required approval under applicable legislation in respect of such indemnification;

if the Director or Officer has acted honestly and in good faith with a view to the best interests of the Club and in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Director or Officer had reasonable grounds for believing that his/her conduct was lawful.

13.2 The Club shall, at all times, maintain in force such directors and officers liability insurance as may be approved by the Board of Directors.

Article 14 Execution of Documents, Seal

14.1 Contracts, documents or any other instrument in writing requiring the signature of the Club, shall be signed by any two of the Officers and all contracts, documents and instruments in writing so signed shall be binding upon the Club without any further authorization or formality. The Board of Directors shall have power from time to time by resolution to appoint any individual who shall be empowered on behalf of the Club to sign specific contracts, documents and instruments in writing. The Board of Directors may give the Club's power of attorney to any registered dealer in securities for the purposes of

the transferring of and dealing with any securities owned by the Club. The seal of the Club when required may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any Officer or Officers appointed by resolution of the Board of Directors.

14.2 The corporate seal of the Club shall be in the form impressed hereon.

[impression of Club seal]

Article 15 Financial Year

15.1 Unless otherwise determined by the Board of Directors, the fiscal year-end of the Club shall be October 31.

Article 16 Books And Records

16.1 The Board of Directors shall ensure that all necessary books and records of the Club required by the by-laws of the Club or by applicable law, are regularly and properly kept in such manner as shall be approved from time to time by the auditor of the Corporation of the City of Ottawa.

16.2 The Treasurer shall deliver to the appropriate official or officials for the City of Ottawa a complete set of un-audited financial statements within 60 days after the end of the Club's fiscal year and a complete set of audited financial statements within 120 days after the end of the Club's fiscal year.

16.3 All books of account and other necessary records shall be made available to the Club auditor and to the auditor of the City of Ottawa as soon as possible after the end of the fiscal year.

Article 17 Auditors

17.1 The Members shall at each annual meeting appoint an auditor to audit the accounts of the Club for report to the Members at the next annual meeting. The auditor shall hold office until the next annual meeting provided that the Board of Directors may fill any vacancy in the office of auditor. The Board of Directors shall fix the remuneration of the auditor.

17.2 In the event, the auditor appointed at the annual meeting is not the auditor of the City of Ottawa, the auditor of the City of Ottawa, in turn, shall have all the rights and duties of an

auditor of the Club as such rights and duties are specified in *The Corporations Act* and may access the books and records of the Club for the purposes of preparing a report for the City of Ottawa on the results of his examination providing a copy thereof to the Club. Such report of the auditor of the City of Ottawa shall be at the expense of the Club.

Article 18 Relationship with the City of Ottawa

- 18.1 The Club shall compensate the City of Ottawa for any damage to City property (other than normal wear and tear) caused by or attributable from the operations of the Club;
- 18.2 During such time that the Club equipment is located on City of Ottawa property the Club shall:
- a) relieve the Corporation of the City of Ottawa for any claim for damage to the equipment owned by the Club;
 - b) indemnify and hold harmless the City of Ottawa, its agents and employees from and against all claims, demands, losses, costs, damage actions, suits (not limited to but including libel, slander or defamation of character) or proceedings arising out of or attributable to the operations or equipment of the Club;
- 18.3 The Club shall file with the City of Ottawa proof of liability insurance in an amount of not less than one million dollars (\$1,000,000) covering bodily injury, personal injury, and property damage and protecting against any liability arising pursuant to the indemnification provided by the Club in Article 18.2 and ensure that the City of Ottawa is named as additional named insured.
- 18.4 The Club shall provide to the City of Ottawa, on the request of the appropriate official or officials, access to all books, records, minutes or other documents of the Club.
- 18.5 The Board of Directors shall provide to the appropriate official or officials of the City of Ottawa, within ten days of receiving written notice, such information about the operation of the Club as the said officials may determine. In any event, the Board of Directors shall provide the auditor's report and financial statement of the Club to the appropriate official or officials of the City of Ottawa within 30 days of completion.

Article 19 Dissolution

19.1 In the event of dissolution of the Club, all assets and liabilities shall become the property of the Corporation of the City of Ottawa.

Article 20 Amendment of By-Laws

20.1 Except as provided in Article 20.2, the by-laws of the Club may be repealed or amended by by-law enacted by the Board of Directors and sanctioned by an affirmative vote of a majority of the Members having voting rights at a meeting duly called for the purpose of considering the said by-law.

20.2 The following articles of this by-law hereinafter enumerated may not be amended, altered or repealed except with the concurrence of the City of Ottawa expressed in such manner as the City deems appropriate:

- a) Article 18 Relationship with the City of Ottawa
- b) Article 5.3 Limitation on Club's Spending Power
- c) Article 5.4 Limitation on Board of Director's Spending Power
- d) Article 10.8 Notice Requirement for Funding Proposals at Club Meetings
- e) Article 19 Dissolution
- f) Article 20.2 Amendment of By-laws

20.3 Any proposal to amend this by-law prior to its distribution to members as required by Article 12.2 must be reviewed by the Commodores' Council for the purpose of ensuring its consistency with other provisions of this by-law and with the Letters Patent of the Club.

Article 21 Colours, Pennants and Flags

21.1 The colours of the Club shall be green and blue.

21.2 The flags of the flag officers are as follows:

- a) the Commodore's flag shall be a rectangular shape in blue with three white anchors;
- b) the Vice-Commodore's flag shall be a rectangular shape in red with two white anchors;
- c) the Rear-Commodore's flag shall be a rectangular shape in white with one blue anchor, and

- d) the Fleet Captain's flag shall be a swallow tail shape in white with one red anchor.