

BY-LAWS
THE HIGHLANDER INTERNATIONAL CLASS ASSOCIATION
Amended and Restated On July 22, 2001

Article I — Name and Office

The name of the Association is the Highlander International Class Association (the *Class*).

The post address of the Class shall be determined, from time to time, by the Directors and published in *The Highlander*, the official publication of the Class.

Article II — Members

1. Classes. There shall be eight (8) classes of members of the Class:

Life Members — registered owners (as defined below) previously granted life membership. (Life memberships are no longer available.)

Life Associate Members — members previously granted life membership who do not own a boat. (Life memberships are no longer available.)

Active Members — limited to individual registered owners or the designated co-owner (as defined below) of a Highlander (as defined herein) and Life Members.

Co-Owner Members — a co-owner of a Highlander who is not designated to be the Active Member.

Family Members — member of the Class as the result of a family relationship (as defined below) with an Active Member.

Associate Members — individuals interested in the welfare of the class who do not qualify as an owner or for another class of membership.

Junior Members — limited to individuals until the calendar year after they attain their 22nd birthday.

Corporate Members — limited to non-profit or similar organizations that desire to support the Class.

The term *Members* when used in these By-laws without further qualification shall refer to members of every class.

2. Voting. Every Life Member and Active Member shall be entitled to one vote on each matter to come before any meeting of the Members except as otherwise provided in the Constitution or By-laws. All Members who are then current with regard to the payment of dues and assessments shall be entitled to all other rights of membership in the Class, except as expressly limited herein.

3. Dues. Membership dues are as follows:

<i>Life Members</i> —	\$ 0.00
<i>Life Associate Members</i> —	\$ 0.00
<i>Active Members</i> —	\$40.00
<i>Co-owners</i> —	\$25.00
<i>Family Members</i> —	\$ 0.00
<i>Associate Members</i> —	\$25.00
<i>Junior Members</i> —	\$10.00
<i>Corporate Members</i> —	\$10.00

Due shall be delinquent unless received by the Class prior to the last day of February of each year.

4. Owner. An individual is an owner of a Highlander if the owner has title to such a yacht or is a bona fide charter party of such a yacht under a written charter with a term of no less than twelve (12) months and such charter has been filed with the Secretary of the Class. Where title to such a yacht is owned in good faith by more than one person, the co-owners shall designate one, and only one, such co-owner to hold the Active Membership. All other co-owners may become Co-owner Members upon application and payment of dues. Members of the immediate family of an Active Member are considered to be Family Members. Members of the immediate family are defined as the spouse and children of the Active Member. In certain cases as prescribed in the Rules Governing Highlander Racing, Members may be entitled to participate in sanctioned events in a Highlander owned by a yacht club or other sailing organization, if notice of such ownership has been given to the Class.

4. Open Membership. Membership in the Class shall be determined without regard to race, sex, religion, or national origin.

Article III — Meeting of Members

1. Place of Meetings. All meetings of members of the Class shall be held at such place, as may be determined by the Board and specified in the notices or waivers of notice thereof, or proxies to represent members thereat.

2. Meetings.

Annual -- The annual meeting of members (the **AGM**) shall be held in conjunction with the National Champion Regatta. Any and all business of any nature or character may be transacted and action may be taken thereon at any annual meeting, except as otherwise provided by law or the By-Laws.

Special -- Special meetings of members may be called by the President or by a majority of all members of the Board, or by written petition of not less than twenty Active Members. At any special meeting of the members, no business other than that for which the meeting is called shall be transacted.

3. Notice of Meetings. Written or printed notice stating the place, day and hour of a meeting and, in case of a special meeting, the purpose or purposes for which the meeting

is called shall be delivered or mailed by the Secretary to each Active Member of record of the Class at such address as appears upon the records of the Class, at least ten (10) days before the date of the meeting. Notice of any meeting is waived if the waiver is in writing and is filed with the Secretary of the Class, the Member is present at the meeting or the Member is represented at the meeting by proxy. Such notices may be, but need not be, included in a newsletter or other publication regularly distributed to the members.

4. *Voting Rights.* Every Active Member and Life Member of the Class in good standing, shall have the right to one vote on each matter to come before any meeting of the members of the Class except to the extent the Articles of Incorporation or By-Laws appropriately provide specifically otherwise.

5. *Proxies.* An Active Member in good standing is entitled to vote either in person or by proxy, executed in writing by such Member and delivered to the Secretary of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless a longer time is expressly provided therein.

6. *Quorum and Adjournments.* At all meetings of Members, ten percent (10%) of the Members entitled to vote at a meeting, represented in person or by proxy, shall constitute a quorum. Any meeting of Members, including the AGM and special meetings and any adjournments thereof, by a majority vote of those present, may be adjourned to a later date without notice other than announcement at the meeting even though less than a quorum be present.

7. *Voting Lists.* The Executive Secretary-Treasurer of the Class shall at all times keep a complete and accurate list of the members of the Class entitled to vote by the Constitution or By-laws. Such list shall be on file in the registered office of the Class and subject to inspection by any member for any proper purpose at any reasonable time.

8. *Action by Written Consent.* Any action required or permitted to be taken at any meeting of the members may be taken without a meeting if, prior to such action, a written consent thereto, setting forth the action so taken, is signed by all the members entitled to vote with respect to the subject matter thereof, and such written consent is filed with the minutes of the proceedings of the members. Such consent shall have the same effect as a unanimous vote of the members.

9. *Earnings and Compensation.* A Member shall not receive any earnings from the Class but may receive reasonable compensation for services rendered to or for the Class as provided in the By-laws and Constitution and may also receive payments of principal and interest on monies loaned or advanced to the Class.

10. *Membership Stickers.* Upon receipt of dues from Active Members, the Executive Secretary-Treasurer of the Class shall issue official membership stickers. These stickers shall be affixed to the upper starboard corner of the transom of the Highlander.

Article IV — Board of Directors

1. *Management of the Class.*

The business and affairs of the Class shall be managed by the Board of Directors (the Board). The Board shall have the power and authority to do all things not expressly reserved to the Members by the Constitution and the By-laws.

Without limiting the foregoing, the Board shall have the power to: interpret the Constitution, By-laws and Rules; conduct all business and determine policy of the Class; determine depositories for Class funds; serve as the final Board of Appeals in disputes over constitutional rights and determinations of questions involving interpretation of the Constitution, By-laws, Rules and Specifications. Its rulings shall be binding and final and may only be reversed by formal amendment of the Constitution, By-Laws, Rules or Specifications. The Board shall sanction races; shall pass on eligibility of committees; shall grant fleet charters; approve depositories. The Board may make necessary rules, regulations for the regulation and government of the business affairs of the Class.

2. *Membership and Qualifications.*

The Board shall consist of the Commodore, the elected Officers, the current National Champion, an Associate Member, and four other Active Members who shall be designated as Directors.

3. *Term of Office.*

An Officer shall serve on the Board during the Officer's term of office. The Associate Member shall serve a one-year term. The four Directors shall each serve for a two (2) year term, and the terms shall be staggered. Every Board member shall continue to serve until his or her successor shall be duly elected and qualified, but may resign or be removed at any time, with or without cause, by the vote of a majority of the Active Members or a two-thirds (2/3) vote of the other members of the Board. Term or office for all officers and board members shall commence on the day following the completion of the National Championship regatta.

3. *Vacancies.*

Vacancies occurring in the membership of the Board caused by resignation, death, removal, or otherwise shall be filled by a majority vote of the remaining members of the Board and each director so elected shall serve until the expiration of the term of the director replaced, or until a successor shall have been duly elected and qualified.

4. *Regular Meetings.*

Regular meetings shall be held at such times and places as may be determined by the President or the Board. AT least one regular meeting shall be held each year.

5. *Special Meetings.*

Special meetings of the Board may be called by the President or four (4) or more members of the Board at any place, upon twenty-four (24) hours notice, specifying the time, place and general purposes of the meeting, given to each director personally,

including electronically (if receipt is confirmed); or notice may be given by mail if mailed at least ten (10) days before such meeting.

6. *Waiver of Notice.*

Any director may waive notice of any meeting in writing. Attendance by a director at any meeting shall constitute a waiver of notice of such meeting.

7. *Quorum.*

Except as may otherwise be required by the Constitution, the By-Laws, or by law, a majority of the entire Board then qualified and acting shall constitute a quorum and be sufficient for the transaction of business, and any act of the majority of the directors present at a meeting at which a quorum shall be present shall be the act of the Board. A majority of the directors present may adjourn any meeting from time to time. Notice of any adjourned meeting need not be given other than by announcement at the time of adjournment.

8. *Action by Written Consent.*

Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if, prior to such action, a written consent, setting forth the action so taken, is signed by all of the members of the Board entitled to vote with respect to the subject matter thereof, and such written consent is filed with the minutes of the proceedings of the Board. Such consent shall have the same effect as a unanimous vote of the Board.

9. *Meeting by Telephone or Similar Communications Equipment.*

Directors may participate in and hold a meeting by means of a conference telephone or similar communication equipment by which all persons participating in the meeting can communicate with each other. Participation by these means constitutes presence in person at the meeting.

10. *Committees.*

A. *Standing*

Nomination Committee - The Nominating Committee shall consist of the Commodore, who shall act as Chairman, the President and two Active Members. The Active Member of this committee shall represent Fleets other than those of the Commodore and the President, shall be elected at the AGM and shall serve staggered two year terms. Vacancies in this committee shall be filled by the Board, their appointee to serve for the balance of the term of the vacancy. The Nominating Committee shall nominate qualified persons for election to the offices of the Class at the AGM. The Nominating Committee shall include in such nominations the name of any person(s) nominated in a writing signed by any three (3) active members if such writing is received at least 45 days prior to the AGM. The Nominating Committee shall cause all nominations to be communicated to the Editor of the *Highlander* for inclusion in an issue mailed to the Members prior to the AGM.

Measurement Committee - The Measurement Committee shall serve under the chairmanship of the Chief Measurer. The Measurement Committee shall be appointed by the Chief Measurer and approved by the Board. It shall review all matters referred to it and report thereon to the Class at the next AGM with its recommendations. If so instructed by the Members, the Measurement Committee shall draft appropriate proposed amendments for ratification at a subsequent AGM or Special Meeting.

National Race Committee - The National Race Committee shall consist of a Chairman appointed by the Board and two members appointed by said Chairman plus the Chairman of the host National Championship Committee and the National Champion. The Committee shall be appointed and established so that contact shall be made with the host club at least six months before the National Championship Regatta. It will work beginning in earnest six months in advance with the host club of a regatta and assure proper procedures for running the regatta. The National Race Committee shall have direct jurisdiction over all matters pertaining to the management of the current National Championship Regatta, but its power shall not exceed to other matters nor shall it revoke Board rulings. This Committee shall see that all business referring to the National Championship Regatta which is brought before them by the members shall be disposed of by the evening of the day of the last race of the National Championship Regatta at which time the National Race Committee for that year may be disbanded.

The National Race Committee shall not be empowered to hear protests or appeals. The Chairman shall preside at all deliberations of the Committee and a majority of members shall constitute a quorum. All questions shall be decided by majority decision. All decisions made by that Committee while in session shall be final unless appealed as provided by the RGHR or RRS.

Budget Committee - The Budget Committee shall consist of the President, the Treasurer and the Executive Secretary-Treasurer of the Association and any other members appointed by the President. This Committee shall prepare a budget for the ensuing year. As soon as approved by the Board the budget shall be published.

Amendments Committee - This Committee shall be appointed by the President. It shall process all proposed amendments to the Constitution, By-Laws, Rules and Specifications, and may independently initiate any changes, revisions or amendments which may seem indicated. It does not have any power to enact such changes, revisions or amendments but only to make recommendations to be submitted to the membership.

Publicity and Promotion Committee - This Committee shall be appointed by the President and shall be responsible for promotion of the Class and Class publicity at local, regional, or national levels. They shall see that news of Class activities and regional and national regattas is circulated to appropriate yachting publications and other news media. They shall also be responsible for assisting in the development of new fleets, stimulating participation and activity in all fleets and promoting the growth of the Class.

B. Executive and Other Committees

The Board may from time to time, by resolution adopted by a majority of the actual number of directors elected and qualified, designate and constitute an Executive Committee of the elected Officers and two (2) or more Directors of to manage and

control the affairs of the Class between the meetings of the Directors and such other committees of two (2) or more Directors (which may also include non-Directors but which shall be chaired by a Director), as the Board shall deem desirable for the furtherance of the purposes of the Class. Such committees shall have the powers and authority and shall perform the duties specified in the resolutions. The President shall appoint the Chairman of each committee. The designation of the committees and the delegation of authority thereto shall not operate to relieve the Board, or any member thereof, of any responsibility imposed by law.

11. *Compensation.*

The Directors shall receive no compensation for services rendered as directors and shall be entitled to reimbursement of reasonable expenses actually incurred in the performance of such services to the Class. A director may also serve the Class in any other capacity and shall be entitled to receive such compensation for services actually rendered to the Class in any capacity other than as a director, as may be provided from time to time by resolution of the Board not inconsistent with these By-laws. Notwithstanding the foregoing, no compensation shall be paid to any individual that would be prohibited by the Internal Revenue Code of 1986, as amended.

12. *Resignation by Absence.*

A director who fails to attend three (3) consecutive meetings (either regular or special meetings) of the Board shall be considered to have voluntarily resigned from the Board unless such director shall present to the Board in writing good and sufficient reason for such absence. The Secretary shall notify in writing a director who has missed three (3) consecutive meetings that he or she has ten (10) calendar days after receipt of such notice to explain his or her absence to the Board of Directors. The Board shall be the sole judge of whether or not such absence was for "good and sufficient reason." In the event the absent director does not contact the Board within ten (10) calendar days or in the event the Board finds that the absence was not for good and sufficient reason, such director shall be considered to have voluntarily resigned and the vacancy shall be filled as provided in this Article.

Article V - Officers

1. *Elected Officers.* The elected officers of the Class shall be Active Members and shall be a President, Vice President, a Secretary, a Treasurer and a Chief Measurer. The immediate past President shall be, ex officio, the Commodore.

2. *Election, Appointment and Terms.* Each elected officer shall be elected by the Active Members at the AGM and shall hold office until the next AGM or until his or her successor shall have been elected and qualified, or until death, resignation or removal. Any officer may be removed at any time, with or without cause, by the vote of a majority of the Active Members present at an annual or special meeting.

3. *Appointed Officers.* The President, with the consent of the Board, shall appoint an Executive Secretary-Treasurer and the Editor of The Highlander. The Board may from

time to time create additional offices, including offices of Assistant Secretaries and Assistant Treasurers, as it shall deem necessary or appropriate and may appoint persons to such offices with such duties and powers as it shall determine or as may be provided in these By-laws. The appointed Officers shall attend each meeting of the Board, but shall not be voting members of the Board.

4. Vacancies. Whenever any vacancies shall occur in any office by death, resignation, increase in the number of elected officers of the Class, or otherwise, the same shall be filled by the Board, and the officer so elected or appointed shall hold office until his or her successor is elected or appointed and qualified, or until death, resignation or removal.

5. Compensation. Elected Officers shall not receive any compensation for their services, but if so provided by a resolution of the Board, may be reimbursed by the Class for their reasonable expenses and disbursements on behalf of the Class. Appointed Officers shall receive such compensation as the Board may determine.

6. Duties of the Officers

Commodore. The Commodore shall be the immediate past President of the Class, and may preside over the AGM next following his term as President.

President. The President shall have general and active supervision, control and management of the day to day affairs of the Class, subject to the orders and resolutions of the Board; shall see that all orders and resolutions of the Board are carried into effect; shall preside at all meetings of the members and of the Board; and shall perform such other duties as the Board of Directors may assign from time to time.

Vice President. The Vice President shall assist the President and shall perform such duties as may be assigned by the Board or the President. In the absence or disability of the President, the Vice President shall perform the duties of the President.

Secretary. The Secretary shall attend all meetings of the Board and of the Members and shall act as Secretary of such meetings; shall give or cause to be given all notices provided for in the By-laws or required by law; shall record all votes and the minutes of all proceedings of the meetings of Members and the Board in a book or books to be kept for that purpose; shall be custodian of the books and records (except for financial books and records) and, if there is one, the seal of the Class; and in general, shall exercise all powers and perform all duties as may be, from time to time, assigned by the Board or the President. The Secretary of the Class shall maintain a permanent record of each Highlander, showing number, name and ownership. All or any part of the foregoing duties may be delegated to the Executive Secretary-Treasurer.

Treasurer. The Treasurer shall keep correct and complete records of account showing accurately at all times the receipts, expenditures and financial condition of the Class; shall be the custodian of the corporate funds and securities; shall deposit, in the name of and to the credit of the Class, all moneys of the Class in such depositories as may be designated by the Board; shall disburse the funds of the Class as may be ordered by the Board or by the President; and in general, shall exercise all powers and perform all duties

customarily incident to such office and such other powers and duties as may from time to time be assigned by the Board or by the President. All or any part of the foregoing duties may be delegated to the Executive Secretary-Treasurer.

Chief Measurer. The Chief Measurer shall be the Chairman of the Measurement Committee as defined elsewhere and shall be in charge of all certified measurers. He shall grant or reject all measurement certificates and issue duplicates when necessary. He shall be the custodian of the official specifications and shall be responsible for keeping them up-to-date. He shall be responsible for answering questions about measurement rules and shall interpret the rules and regulations concerning construction, sail plan, rigging, and equipment; however, he shall not approve changes in construction specifications, sail plan or rigging. He may also make rulings on matters not specifically covered in the official plans and specifications. When such rulings involve a positive change in existing specifications they shall be subject to the approval of the membership as provided herein.

Executive Secretary-Treasurer. The Executive Secretary shall cooperate with the Secretary and the Treasurer of the Class to collect dues, maintain a system of records, keep roles of Fleet Membership and Class Membership, mail *The Highlander* and other official publications of the Class and carry out such other duties as may be designated from time-to-time by the President or the Board. He will deposit Class funds in a depository approved by the Treasurer and the Board.

Editor of *The Highlander*. The Editor of *The Highlander* may attend all meetings of the Board and participate in its discussions and activities.

7. Delegation of Authority. In case of the absence of any officer of the Board, or for any other reason that the Board may deem sufficient, the Board may transfer or delegate the powers or duties of any officer to any other officer or officers for such length of time as the Board shall determine.

Article VI — Election of Officers and Directors; Indemnification

1. Elections. At the AGM, the Active Members, in person or by proxy, shall vote for the election of those persons nominated by the Nominating Committee to be elected to the offices for which they have been nominated. The Executive Secretary-Secretary shall prepare, collect and tabulate appropriate ballots for this purpose.

2. Indemnification. The Class shall indemnify and hold harmless any Officer or Director who acts in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Class against expenses (including attorneys' fees), judgments, fines, penalties, court costs and amounts paid in settlement actually and reasonably incurred by him in connection with any action, suit or proceeding arising from, or connected with, service as an Officer or Director of the Class.

Article VII — Fleet Organization

1. Chartering of Fleets. Any three Active Members may be granted a Fleet Charter upon application to the Board and upon payment of such charges as may be fixed by the Class. Fleet Charters may be suspended for cause by the Board but may be revoked only by the Active Members at an AGM for good cause.

2. Regulation. Each Fleet shall have the power to accept or reject for adequate cause, applications for membership to the Fleet. Each Fleet shall be self-governing in all matters not conflicting with Class rules. Each Fleet shall elect such officers as it deems appropriate.

3. Savings Clause. The adoption of these amended and restated By-laws shall have no effect upon the validity or existence of each Fleet in existence and active on the date of such adoption.

Article VIII — Definition of a Highlander

1. General. A Highlander is a sailing sloop constructed and maintained in strict accordance with the Specifications (as herein provided.) No yacht shall be eligible to enter any race where Highlanders race as a class until an approved Certificate of Measurement and Registration has been granted to the owner of the Highlander. No boat may be represented to be, or entered in any race as, a Highlander, or at any time display the Highlander emblem upon its sails or otherwise, without such Certificate. For the benefit of owners and prospective owners, the Class shall take whatever steps may be necessary to protect the Highlander name and emblem from unauthorized use.

2. Type Certification-Existing Boats. Upon the purchase of a Highlander for which there is no certificate on file with the Class, the boat must be measured. An Active Member must witness the measurement and sign the measurement record sheet(s) certifying the accuracy of the measurements. The new owner will forward the measurement record sheet(s) along with ownership and co-ownership information, to the Executive Secretary-Treasurer of the Class. If the measurements are not in accordance with the official specification, the measurement record sheets will be returned to the new owner(s) with notification of any errors. If acceptable, the Executive Secretary-Treasurer of the Class will prepare the Measurement and Registration Certificate in duplicate. Either the Chief Measurer or Executive Secretary/Treasurer of the Class shall sign the Certificate. One copy will be returned to the new owner and the other retained in the files of the Class.

3. Type Certification —New Boats. Before starting construction of a new Highlander, the licensed/certified builder shall make application from the Executive Secretary-Treasurer of the Class for a hull number. After construction of a new Highlander yacht, the licensed/certified builder shall forward a request containing appropriate information to the Class for a Measurement and Registration Certificate and shall pay any designated royalties to the Class. The Executive Secretary-Treasurer of the Class will prepare the Measurement and Registration Certificate in duplicate. Either the Chief Measurer or Executive Secretary-Treasurer shall sign the Certificate. One copy will be forwarded to the buyer and the other retained in the files of the Class. The Chief Measurer shall certify a builder of Highlander boats licensed by the Class. Such certification shall be carried out at the builder's place of business and shall include, but not be limited to, certification of all measurements (per the Specifications) of boats and associated components produced from molds, patterns, and dies owned by the Class. Certification of the builder shall be carried out with the first purchase order received by the builder after August 2, 1998. This certification shall be in effect for a period of approximately three (3) years for the receipt of

that order, or until rescinded by the Class, whichever occurs first. Re-certification shall occur every three (3) years thereafter

4. *Transfers.* In the event of any ownership change for a Highlander for which there is an official Certificate on file with the Class, the Certificate must be transferred and/or updated to reflect such ownership changes. Written notice of all ownership changes must be made to the Executive Secretary-Treasurer. The selling owner shall send his/her copy of the official Certificate describing the proposed ownership changes to the Executive Secretary-Treasurer. If acceptable, the Executive Secretary-Treasurer will prepare a new Measurement and registration Certificate in duplicate. The Chief Measurer or Executive Secretary-Treasurer will sign the Certificate. One copy will be returned to the new boat owner(s) and the other retained in the files of the Class.

Article IX — The Specifications

1. *Drawings.* The official specifications of the class consist of a series of drawings, signed by the Chief Measurer. Copies may be obtained from the Secretary in exchange for the cost of reproduction.

2. *Rulings.* Specifications, however complete, cannot anticipate every possible situation that may arise. If a point is not covered therein or governed by the dictates of common sense, a ruling must be obtained from the Chief Measurer. The Chief Measurer shall use best efforts, to maintain the Highlander as a rigid one-design class.

3. *Amendments To Specification.* The Chief Measurer may propose amendments to the Specifications to the Active Members at an AGM or Special Meeting. Approval of such amendments shall require the affirmative vote of the two-thirds of the Active Members present in person or by proxy at such meeting.

4. *Retroactive Effect.* No change to the Specifications shall have the effect of revoking a previously issued Measurement and Registration Certificate and the boat subject to such certificate shall continue to be a Highlander absent reasonable evidence of alterations, erroneous measurements, or falsified measurements. However, the National Race Committee, and any local Race Committee provided such requirement is stated in the notice of race, may limited participation in an event to Highlanders that comply with the Specifications as they exist at the time of the event.

Article X — Incorporation of the Rules of Highlander Racing

The Rules of Highlander Racing are incorporated into these By-laws by reference.

Article XI— Amendments of By-Laws and Rules

1. *Notice of Proposed Amendment.* The Board, the elected Officers, and any Active Member shall have the right to propose an amendment or amendments to the By-laws. Notice of such proposed amendment shall be given at least thirty (30) days' prior to the meeting at which the amendment is considered and the full text of the proposed amendment shall be included in such notice.

2. *Required Vote.* These By-laws may be amended at any AGM or special meeting of the members, upon the affirmative vote of the majority of the Active Members present at such meeting in person or by proxy.