

## BOARD OF DIRECTORS

Teleconference Call August 7, 2018

1. The meeting was called to order at 8:30 PM by the President, Howie Nichols.
2. Roll call was taken. The following were in attendance: Howie Nichols, Chris Fairchild, Steve Compton, Mary Williams, Jean Mackay-Schwartz, John Runne, Mark Tate, Fred Hauenstein, Jerry Davids, Kyle Bahl, Adam Allen, Jeff Brewster, Mark Wheeler, Patrick Gleason, Matt Yarno, Penny Anderson, Bob Wartinger, Rich Fuschlin, Steve Noury, Jeff Conant, Sheri Greaves, Jack Meyer, Jan Shaw, Dutch Squires, James Chambers, Robin Shane, Ted Kolby, John Krebs, Ann Marie Shaw, Jeff Titus, Eli Whitney, Aaron Wachholz, Julian Rucki, Roger Carr, Buddy Tennell, Carleton Callahan, Justin Squires, Lisa Jennings, and Sarah Ealy. Excused were: Rick Sandstrom, Alex Jennings, Richard Shaw, and Sherron Winer.
3. Minutes from the June 6, 2018, meeting were reviewed. Jean Mackay-Schwartz requested a change to Item 12-a. Item to read: "Roger Carr requested the Board act on the letter from Scott Schatz regarding the GP West Agreement with Sam Cole which had been submitted. President Nichols reported he received the letter approximately ½ hour prior to the meeting and felt this was not enough time for the Board to form an opinion or take action. He will send the Agreement to Steve Hearn for review." Motion by Kyle Bahl, seconded by John Runne to approve the minutes as corrected. Motion passed unanimously.
4. Old Business.
  - a. Regarding the letter from Scott Schatz, President Nichols reported Scott had requested a roll call vote of the members of the Board as to if the President had acted within the Bylaws in signing the Agreement. A roll call vote was taken. Results were 9 in agreement with the President's action (Adam Allen, Kyle Bahl, Jeff Brewster, Jerry Davids, Chris Fairchild, Fred Hauenstein, Jean Mackay-Schwartz, Mark Tate, and Mark Wheeler) and 1 not in agreement (John Runne).
  - b. President Nichols reported on 2 changes to the published power point presentation on the Region Realignment Project. At the request of regions 11 and 12, the new region created by their consolidation will be called Region 9. Also, a change was made to the minimums required for having an elected commissioner to "a region must have 5 active members or hold 1 event in a category to have an elected commissioner."
  - c. Changes to **Bylaw 12.4, 12.4.1, and 12.4.2 Categories of Racing** were reviewed. A clarification was made to 12.4.1 to add the words "full APBA racing members" between the words "active" and "in" in the first sentence. Motion by Jean Mackay-Schwartz, seconded by Kyle Bahl to approve the change to 12.4, 12.4.1, and 12.4.2 as presented with the clarification. Motion passed unanimously.
  - d. Changes to **Bylaw 17 Regions** were reviewed. Motion by Fred Hauenstein, seconded by Chris Fairchild, to approve the changes. In answer to questions from Council, it was explained that all regions will have these new bylaws to start and then can make their own additions for Board review. Fred Hauenstein requested a change to 17.2.7.a to add the word "secretary" to sentence 5 following the word "region". Change was approved by the motioner and second. Jean Mackay-Schwartz requested a change to 17.2.7 in the first sentence to only reinstate the words "as follows" following the words "shall be conducted". Change was approved by the motioner and second. Director of Operations, Sarah Ealy, explained that she is working with Region 10 chair, Rick Sandstrom, on an on-line ballot and will be happy to work with other regions to set this up also. Eli Whitney asked for clarification on items from 17.2.8.a List of Region Officers as to what was meant by "Activity Vice Chairs". Change was made to remove the word "Vice" and Add the word "Region" so the title would read "Region Activity Chairs". Eli also requested clarification on why under Directors – "7 members and each club commodore" would be on the Region Board of Directors. He felt this would make the Region Board of

Directors too large. Change was made to delete the words “and each club commodore”. Under 17.2.8.b listing of the mandatory committees of each region, a discussion was held on the listed committees. Mark Wheeler requested that the word “shall” in 17.2.8.b be replaced with “may”. Mark Wheeler requested a change to delete “Awards Committee” and “Publicity Committee” and to combine the “Safety Committee” and “Rescue Committee”. This would make 3 required committees: Nominating Committee, Safety and Rescue Committee, and Officiating Committee. Mark Wheeler then requested that in 17.2.8.b it should revert back to the word “shall” instead of the change to “may”. All changes were approved by the motioner and second. John Runne pointed out per Roberts Rules of Order, bylaw changes cannot be done in one meeting. They need to be presented at the first meeting and then voted on at a second meeting, thus making it difficult for Regions to request changes during the first year of this new Region realignment. President Nichols stated that for 2019, regions should pass their bylaw additions at the fall meeting and then submit them to the Board for action at the APBA annual meeting. Region Chairs were told to put “bylaw additions” on the agendas they send out for the fall meeting. Suggestions were made as to holding a conference call with current region chairs to explain how to conduct their elections and make bylaw changes this first year. It was also suggested that a member of the Board of Directors attend each region meeting and conduct the first meeting. Howie Nichols, Chris Fairchild, and Sarah Ealy will meet with the Region chairs to work on a transition plan for each region. Mark Wheeler requested a change to 17.2.7 under the \*\* section to change the word “both” to “all affected” between the words “from” and “Regions”. Jean Mackay-Schwartz questioned whether in 17.2.16 all additions for each region’s bylaws were to be listed. Robin Shane suggested that a link be provided to each region’s bylaws. Mark Wheeler suggested that an appendix be created with all of the region’s bylaws. Discussion was held on issues Region chairmen reported in preparing for the fall meeting. Chris Fairchild then called the question. A roll call vote was taken and all Board members present voted in favor of calling the question. A roll call vote was then taken on the changes to Bylaw 17 in its entirety. All members present voted in favor of the changes.

5. New Business. Changes to **General Racing Rule 19 – Yellow Card System** were presented. President Nichols also added a new #12 to state “APBA office will notify the APBA Chief Referee of all Yellow/Red cards when received at APBA headquarters”. Mark Wheeler stated that 19.1 implied that a yellow/red card could be given to non-APBA members but did not state that. He requested that the vote on these changes be done in 2 parts: the first to add additional people who would be able to issue the cards and the second as to whether cards could be issued to non-APBA members. Motion by Adam Allen, seconded by Chris Fairchild to approve 19.1 as written. A discussion was held on a suggestion to add “committee chairs” to the list also. Changes were made to the wording of 19.1 to remove the “()” around the assistant referee, remove the word or, and insert the proper commas. Change was also made to change the word “behavior” in both 19.1 and 19.2 to “unsportsmanlike conduct”. John Runne requested that the suggested new last sentence about a non-member be deleted. After first withdrawing his motion, Adam agreed to the changes and also requested the removal of #11 and to vote on rule 19 in its entirety. (This would make the newly proposed #12, now #11). The second also agreed. Mark Wheeler asked to add Region Chairs to the new #11 and Howie Nichols requested that the APBA Chief Referee be added to #8, which would then remove the need for the new #11. The motioner and the second approved this change. Chris Fairchild then called the question. Board Members present approved the call unanimously. Vote was then taken on the changes to Rule 19 as amended. Motion passed 8 in favor, 1 opposed.
6. President Nichols reminded everyone that with the retirement of Steve Hearn, APBA had been without a legal counsel. Ed Hearn has agreed to accept the position. Motion by Mark Wheeler, seconded by Jerry Davids to approve the appointment of Ed Hearn to the position of legal counsel. Motion passed unanimously.
7. President Nichols also reminded everyone that with the passing of Charlie Strang, APBA was also without a National Commissioner. Gary Romberg has agreed to accept the position. Motion by Chris

- Fairchild, seconded by Mark Wheeler to approve the appointment of Gary Romberg to the position of National Commissioner. Motion passed unanimously.
8. Changes to Bylaw 7.2.1 and 7.2.3 to remove the position of National Commissioner as a member of the Board of Directors were present. Motion by Mark Wheeler to accept the change, seconded by Chris Fairchild. Motion passed unanimously.
  9. Changes to Bylaw 11 and 12.1 to make permanent the change in status of Inboard Endurance. President Nichols reported that this change was originally for the 2018 season only but that as of this date there had been no wet bottom boats. Motion by Chris Fairchild, seconded by Mark Wheeler to make the change in status permanent. Motion passed unanimously.
  10. Adam Allen presented a Driver's School Incentive Plan. Each club holding a driver's school in conjunction with a racing event currently receives a \$200 discount on their sanction fee. His new proposal would provide that once a club reaches the \$200 amount in Single Event Memberships sold for the driver's school, they would then receive a dollar for dollar match as a credit on a future sanction, for all additional Single Event Memberships sold for driver's school participants. This future sanction credit could be carried over from one year to the next. Motion by Mark Wheeler to approve the plan, seconded by Jean Mackay-Schwartz. Motion passed unanimously.
  11. Chris Fairchild asked for an update on the status of seminars for the national meeting. John Runne explained that the plan is to have 6 seminars, but these haven't been worked out yet. Adam Allen volunteered to help work these out and get the information in before the end of August. Sarah Ealy noted that she will need the information as soon as possible. Howie Nichols stated that he would be sending out an email to all committee/category chairs asking about their AV needs and time constraints. Starting this year all AV needs, flags, etc. will be charged to the category/committee budgets. Roger Carr asked if the charge to attend the meeting would be going up as previously discussed. President Nichols reported that the Board felt that increasing costs would prevent some people from attending. Mark Wheeler reported that the bylaws state that the national meeting must be held during the last 2 weeks of January or the first week of February. The 2019 calendar was checked and the dates for the meeting fall within the bylaw.
  12. Other Matters
    - a. Chris Fairchild gave a Website & Software Update. He had met with Ryan Johnson from Easy Click and stated that Ryan feels that APBA needs to have a separate IT person for IT issues. Working on IT issues has caused him to be behind in the website/software project. He is hopeful of completing the project as soon as possible. Sarah Ealy reported she is in the process of securing bids for a local company to do software/hardware support and hopes to have something in place soon.
    - b. Jeff Titus questioned the latest membership statistics that had come out. He did not feel that the numbers were correct for OPC Inspectors. Sarah Ealy will check into this.
    - c. John Krebs stated that in cleaning up the bylaws, Article 12 needs to reflect other classes which are committees as shown in sections 12.8, 12.9, 12.10. President Nichols said he would work on adding the additional bylaws needed.
    - d. Jan Shaw pointed out to Board members that Bylaw 15.3.3 allows anyone to be removed from a race site.
  13. There being no further business, motion to adjourn by Mark Wheeler, seconded by Kyle Bahl. The meeting was adjourned at 11:00 PM.

Respectfully submitted,

Mary Williams

APBA Secretary

Below is a complete listing of the APBA BYLAWS as of 8-7-18 showing all changes voted on at the meeting.

# BYLAWS OF THE AMERICAN POWER BOAT ASSOCIATION - 8/7/2018

## ARTICLE I - NAME, LOCATION AND SEAL

**Section 1.1. Name.** The name of this organization is the American Power Boat Association.

**Section 1.2. Location.** The corporation's principal office is located at 17640 East Nine Mile Road, Eastpointe, Michigan 48021.

**Section 1.3. Official Flag.** The flag of the Association shall be the current APBA logo.

It may be displayed on boats of members of the Association.

**Section 1.4. Official Logo.** All boats participating in APBA sanctioned events shall display in a highly visible location on essentially vertical surfaces, port and starboard, an APBA approved logo. APBA.ORG may be displayed in place of, or in addition to, the official APBA logo. "APBA" must be minimum dimension of 1.75" high and 7.25" long.

## ARTICLE II - PURPOSE

**Section 2.1. Object.** The object of the Association is to promote the racing and use of powered water craft and the improvement of their design and construction, to formulate rules, to govern trials of speed, endurance and competition between such boats and to further the interest of its membership consistent with the needs and aspirations of the people of the United States of America.

**Section 2.2. Jurisdiction.** The powers of the Association are controlling and are to include all activities in connection with power boating and the power to regulate and control all matters relating to racing, the appointment of committees or commissions, measurements, classifications, and rating with the right to extend any and all of its powers to the Board of Directors to act for it and its place and stead between its meetings, subject always to review by the Association. Anything herein or hereinafter to the contrary notwithstanding, said powers of regulation and control shall not be construed in any manner so as to render the Association liable in any way, as a principal or as an indemnifying party, for any act of commission or omission of any kind or nature whatsoever, committed by a member, by any individual associated with such members, or by any corporation, agency, organization, partnership or individual with which said member may contract.

## ARTICLE III - FISCAL YEAR

**Section 3.1.** The fiscal year of the corporation shall commence on November 1 of each year and end October 31 of the next succeeding year.

## ARTICLE IV - MEMBERSHIP

**Section 4.1. General.** The membership of the Association shall consist of persons or other entities who are interested in and willing to be active in participation and furthering the aims and purposes of this Corporation and who shall meet and thereafter continue to meet the requirements of membership as herein set forth or as heretofore

or hereafter established by the Board of Directors of the Association.

**Section 4.2. Clubs.** Any permanently organized club or association, unless governed and under the jurisdiction of another national authority, having a regular membership devoting its attention in whole or in part to activities consistent with the objectives of the APBA, may become a member club of the APBA. Authority to approve or disapprove an application for club membership shall be vested in the chairman of the applicable region, and shall be subject to review by the Board of Directors. Anytime that it comes to the attention of the Board of Directors that any club, including its officers or members acting on behalf of said club, is taking action or devoting its attention in whole or in part to activities not consistent with the objectives of the APBA, any officer of the Association may bring a motion before the Board of Directors to exclude the club as a member of the Association.

**Section 4.3. Active Members.** Any person or other entity may apply for an active membership of the association provided the Board of Directors or its designated committee deems such applicant sufficiently qualified, by virtue of experience and training, as a driver, crewmember, race organizer, official or other participant, or who was otherwise deemed to be interested in and willing to participate in the active furthering of the aims and purposes of the Association, upon payment of the dues for active members established by the Board of Directors.

**Section 4.4. Honorary Life Members.** Persons who have rendered conspicuous service to this Association and to motor boating who are elected by unanimous consent by the Board of Directors shall be Honorary Life Members of the Association.

**Section 4.5. Patron Members.** Upon payment of an amount established from time to time by the Association, persons, regardless of whether or not they belong to a club that is a member of this Association, and business concerns desiring to aid in sustaining the Association to enable it to broaden its activities, and to be of greatest possible benefit to all persons interested in motor boating, may become patron members. No patron member shall be eligible to participate in elections.

**Section 4.6. Single-Event Members.** Persons wishing to compete in an event scheduled at an APBA-sanctioned regatta governed by the Association, being otherwise qualified, and who purchase a single-event membership in accordance with the Association single-event membership fee structure. Such members shall not, however, participate in Regional, Divisional, National or North American Championships. Single- event members may participate in Record Events but shall not be entitled to establish records. There shall be no other privileges of membership for a single-event membership and they shall not be eligible to participate in elections. Single-Event Membership, including only such insurance coverage as approved by the Association, becomes effective only upon registration and advanced payment of the fee specified, subject always, however, to the specific terms of the contract of insurance. The By-Law applies unless an exemption is requested and granted by the Board of Directors.

**Section 4.7. Associate Members.** Persons, regardless of whether or not they belong to a club that is a member of the Association, who are interested in activities covered by the object of this Association, but who are not boat racers, may join this Association as

Associate Members. Associate Members shall not have the right to vote, officiate, or hold office; and all other rights and privileges of Associate Members shall be fixed and determined by the Board of Directors.

**Section 4.8. Licensee Members.** Any officer, director, owner, agent or attorney of or for a licensee of the Association may be a member of the Association as a Licensee Member, but he or she shall not have the right to vote or serve as a director or officer of the Association.

**Section 4.9. Membership Covenants and Obligations.** Each member, officer and official of the Association must be a member of APBA, and assumes and agrees to the following obligations:

4.9.1 To be bound by and observe all decisions of the Association, its directors, officers and agents, in all matters within their jurisdiction, subject only to any applicable protest and appeal procedure.

4.9.2 To waive any and all claims or demands, whether for damages or otherwise, which they, or any of them, might now or hereafter possess against the Association and each employee, officer, director or agent thereof, and against any other member or any officer, director, or the holder of any interest therein, in connection with or by reason of any decision, ruling, or action of the Board of Directors, officers or agents, respecting any matter within their jurisdiction, including the imposition of any penalty authorized by these Bylaws or the Rule Book, subject only to any applicable protest and appeal procedure.

4.9.3 To be bound by the Bylaws of the Association and the APBA Rule Books.

**Section 4.10.** Members shall join a category or categories of interest. Membership in multiple categories will be encouraged by price breaks in the dues. Except as otherwise provided in this Article, members shall be eligible to elect membership for the at-large members on the Board of Directors and the region offices. In addition, category racing members in regions where a category is “active”, as defined in these Bylaws, will be eligible to elect a member or members to the appropriate category’s commission.

## **ARTICLE V - DUES AND FEES**

**Section 5.1. Annual Dues.** The annual dues shall be paid to the Association in accordance with membership plans approved by the Board of Directors. The annual dues structure shall be printed and available to all members by November 1 of each year. The membership year shall coincide with the fiscal year of the Association.

**Section 5.2. Where Paid.** Annual dues shall be due and payable at National Headquarters.

**Section 5.3. Single Event.** Any non-members wishing to compete in an APBA-sanctioned regatta being otherwise qualified under APBA racing rules, may do so upon payment to APBA, at the regatta in which they desire to participate, of a Single-Event membership fee in accordance with membership plans approved by the Board of Directors for the current year.

**Section 5.4. Collection.** All membership and registration fees collected by the local

Race Committee shall be turned over to the Chief Scorer who shall be held responsible for the mailing of funds to the National Headquarters of the APBA within eight days of the last day of the Regatta at which they were received.

**Section 5.5. Termination of Membership.**

**5.5.1.** Any member may resign, subject to the full payment of any and all dues, assessments, fees, or any other obligations owing to the Association.

**5.5.2.** In addition to the penalties provided in the APBA Rule Book, the Board of Directors may suspend or expel any member for good cause after appropriate notice and opportunity to be heard, and may suspend or expel any member who becomes ineligible for membership or who shall be in default in the payment of dues as established by the Board of Directors. The Board of Directors may reinstate a former member on such terms as the Board of Directors may deem appropriate.

**Section 5.6. Surcharges.** The Board of Directors shall have authority to levy additional sanction fees, registration fees and membership fees for the purpose of obtaining necessary funds for the operation of the Association and the Categories. A schedule of such surcharges shall be kept at the National Headquarters. All funds which have been accumulated as a result of the above surcharges shall be maintained in interest-bearing accounts for the benefit of the individual racing activities, with the interest proceeds to be used to defray operation costs of the Association. The accumulated funds are to be made available to the Chairman of the appropriate racing category with approval of the President. After 60 days, a surcharge will be levied against any member or club which has not remitted payment of any fees by the due dates within the rules or guidelines. This includes, but is not limited to, memberships, fees for an added category to a membership, sanction fees, or event summaries and paperwork.

**ARTICLE VI - MEETINGS, QUORUM, VOTING, RULES OF ORDER**

**Section 6.1. Meetings.**

**6.1.1. Annual Association Meeting for the Conduct of Business.** The Annual Meeting of the Association shall be held during the last two weeks of January or the first week of February or at any other time and place as shall be decided by vote of the Board of Directors. The Board of Directors shall strive for maximum geographic variety in selecting sites for annual meetings to allow, over a period of time, all Association members to attend an Annual Meeting without traveling a great distance. The President shall preside at all meetings of the Association.

**6.1.2. Annual Meeting of the Association for Election Purposes.** A meeting of the Association shall be held on the second business day following September 19 of each year for purposes of conducting elections for directors of the Association. Such meeting shall be held at the Association's National Headquarters and the President of the Association shall preside at such meeting.

**6.1.3. Special Association Meetings.** The President shall call Special

Meetings of members as he deems necessary and shall do so upon the written request of any 100 members of the Association.

**6.1.4. Board of Directors Meetings.** Meetings of the Board of Directors shall be called by the President of the Board as he deems necessary and the President shall preside at such meetings. However, a Board of Directors Annual Meeting shall be held in conjunction with the Annual Meeting of the Association. Proxy votes shall not be allowed at any meeting of the Board of Directors.

**6.1.5. Special Board of Directors Meetings.** Special Meetings of the Board of Directors may be called by or at the request of the President, or a majority of the Board of Directors. A person or persons authorized to call Special Meetings of the Board of Directors may select the place for holding any Special Meetings called by them and if no other place is specified, the place of the meeting shall be the principal business office of the Association.

**6.1.6. Committee Meetings.** The meetings of Committees shall be called by the Chairman of each Committee as the Chairman may deem necessary. All votes will be decided by a simple majority. Proxy votes will not be allowed.

**6.1.7. Meetings by Conference Telephone.** The Board of Directors or Committees may hold meetings by a conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Participation in any meeting conducted in this fashion is deemed the equivalent of being present in person at the meeting. Notwithstanding anything else contained in these Bylaws, a meeting to be conducted solely by such electronic communication may be called pursuant to oral or written notice provided to each member at least 24 hours prior to such a meeting.

## **Section 6.2. Notices.**

**6.2.1. Association Meetings.** Notices of Annual and Special Meetings of the members of the Association shall be sent by the Association to each person entitled to receive the same. Such notices shall be sent not less than two (2) weeks before Association Meetings. All notices of Annual Meetings for the Conduction of Business shall specify the business to be transacted at each meeting. However, this shall not be construed to preclude the introduction and transaction at an Annual Meeting of other business not so specified. Notices of any Special Meetings shall state the purposes for which they are called, and no other business shall be in order at such meetings. Notices for the Annual Meeting for the election of Directors shall be mailed along with ballot/proxy forms for such elections.

**6.2.2. Board of Directors Meetings.** The Annual Meeting of the Board of Directors shall be held in conjunction with and at the same place as the Annual Meeting of the Association. Notice of the Annual Association Meeting shall constitute notice of the Annual Board of Directors Meeting. Except as otherwise provided in these Bylaws with respect to meetings by conference telephone, all

other Board of Directors Meetings shall require notice of the same of at least seven (7) days prior to such meeting.

**6.2.3. Committee Meetings.** The Annual Meeting of Committees shall be held in conjunction with and at the same place as the Annual Meeting of the Association unless specific prior approval is otherwise granted by the Board of Directors. Notice of the Annual Association Meeting shall constitute notice of the Annual Meeting of all Committees.

**6.2.4. Waiver of Notice.** Formal notice of a meeting need not be given to any member or director who executes a waiver of notice either before or after the meeting. The attendance of a member or director at any meeting, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, constitutes a waiver of notice.

### **Section 6.3. Quorum.**

**6.3.1. Quorum at Meeting of Members.** Except as provided in this subsection, in order for the transaction of any business at any meeting of the members, not less than one hundred (100) members entitled to cast votes thereat shall be present in person, or by proxy.

**6.3.2. Board of Directors Meetings and Committee Meetings.** A majority of the members shall constitute a quorum.

**6.3.3. Special Meetings.** In the event a Special Meeting of the Association or of the Board of Directors is called by the members thereof, two-thirds of those members requesting the meeting shall be present at said meeting in order for the meeting to be called to order.

### **Section 6.4. Voting.**

**6.4.1. Association Meetings.** At any meeting of the Association each member in good standing and entitled to vote shall be entitled to one vote. Voting in any election for officers and Board of Directors, shall only be in accordance with the procedure established in these Bylaws.

**6.4.2. Board of Directors Meetings.** At all meetings of the Board of Directors, each member thereof in attendance shall be entitled to one vote. Proxy voting will not be permitted.

**6.4.3.** For the purpose of voting only, a previous year's Association membership may be extended when so required by administrative considerations, but under no circumstances shall this period extend beyond the next Annual Meeting.

### **Section 6.5. Rules of Order.**

**6.5.1. Order of Business of the Association.** The order of business at the Annual Meeting for the Conduction of Business shall be:

**6.5.2.** Reading and correction of minutes of the last Annual Meeting and of intervening meetings of the Association;

- a) Reports;
- b) Old business;

- c) Report of Election of Officers and Board of Directors;
- d) New business;
- e) Adjournment.

**6.5.3. Parliamentary Procedure.** All questions in parliamentary practice not herein provided for shall be determined in accordance with the latest edition of Roberts' Rules of Order.

**Section 6.6. Proxies at Members Meetings (Meetings of the Association).**

**6.6.1.** Except as otherwise provided herein:

- 1) Every member entitled to vote at a meeting of members or to express consent or dissent without a meeting may authorize another person or persons to act for him by proxy;
- 2) No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the member executing it;
- 3) The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the member who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by the Secretary of the Association;
- 4) A member shall not sell his vote or issue a proxy to vote to any person for any sum of money or anything of value. No Licensee Member of the Association may receive or vote proxies.
- 5) Without limiting the manner in which a member may authorize another person or persons to act for him as proxy pursuant to paragraph (1) of this section, a member may execute a writing authorizing another person or persons to act for him as proxy. Execution may be accomplished by the member or the member's authorized officer, director, employee or agent signing such writing or causing his or her signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature. However, no Licensee Member may be authorized in any manner to execute a proxy for a member.

**6.6.2. Form of Proxies.** Except as provided in section 6.6.3, any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to paragraph 6.6.1 of this section may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

**6.6.3. Proxies for Election Purposes.** Each year, as provided by these Bylaws, the APBA National Headquarters shall mail to each voting member, a form of ballot/proxy authorizing the President of the Association or his designee

to vote in the members' stead for each candidate for director of the Association at the Meeting of the Association held for election purposes. At such meeting, the President shall vote such proxies in accordance with the direction given by the member granting such proxy. No proxy form other than the official ballot/proxy shall be valid for any election of directors.

## ARTICLE VII - BOARD OF DIRECTORS

**Section 7.1. Membership and Term of Office.** General Powers of the business of the Association shall be managed and controlled by the members of the Board of Directors except as these Bylaws specifically require action otherwise.

### **Section 7.2. Number, Qualification and Tenure.**

**7.2.1.** The number of Board of Directors members excluding the President, Past President, ~~National Commissioner~~, Region Officer and Category Officer shall be nine (9).

**7.2.2** The Board of Directors shall include nine (9) at-large directors who are directly elected by the members of the Association. **Three (3) at-large directors shall be elected annually by the membership for 3-year terms. The at-large directors shall be nominated by the Nominating Committee. During a transition period, the annual election that takes place during summer 2018, the three (3) directors receiving the most votes shall be elected to 3-year terms, and the director receiving the fourth highest vote total shall be elected to a 2-year term. During the election that takes place during summer 2019, the three (3) directors receiving the most votes shall**

*Note: The wording in italics is to be removed at the end of the transition period.*

**7.2.3** The outgoing President serves on the Board of Directors for a period of one (1) year. The additional position on the Board does not create a vacancy for any appointee other than the immediate past president.

**7.2.4** The APBA ~~National Commissioner, the~~ President ~~of the APBA~~, the Region Officer and the Category Officer shall be ex-officio members of the Board of Directors.

**7.2.5** All of the members of the Board of Directors shall serve without compensation. No member of the Board of Directors may serve as a category chairman or region chairman unless that member has been appointed as the Region Officer or Category Officer by the Board of Directors.

**7.2.6 Removal of a Director.** Any member of the Board of Directors who fails to attend at least two (2) consecutive meetings during the period following any annual meeting, up to and including the next annual meeting in any year, without permission from the President, shall forfeit the Director's office on the Board of Directors. Any director who fails to exercise that director's position of trust, confidentiality and due care, may be removed, after due notice, by a two-thirds (2/3) vote of the entire membership of the Board. Any vacancy, however

created, shall be filled within 30 days by the remaining member Directors, for the unexpired term of the member whose office was vacated.

**7.2.7 Vacancy by Region Officer or Category Officer.** Notwithstanding the above, (1) any vacancy created on the Board of Directors of the Association by the Region Officer resigning or failing to serve for any reason shall be filled by the Board

of Directors from among the remaining Region Chairmen, upon consultation with such Region Chairmen and (2) any vacancy created on the Board of Directors of the Association by the Category Officer resigning or failing to serve for any reason shall be filled by the Board of Directors from among the remaining Category Chairmen upon consultation with such Category Chairmen.

**7.2.8** No Licensee Member may serve as a Director of the APBA.

**7.2.9** All Directors of the APBA shall also be voting members of the APBA.

### **Section 7.3. Powers of Board of Directors.**

**7.3.1. General Powers.** The Board of Directors of the APBA shall act as the governing body for the Association and shall be vested with all of the Association's powers between the Association's meetings as set forth in Section 2.2 of these Bylaws. The Directors are to govern, occupy a position of trust and confidentiality to the Association, and to act diligently, with good faith and reasonable care, to safeguard the purposes and objectives of the Association.

**7.3.2. Appointment and Removal of Officers.** Additionally, the Board of Directors shall select the officers of the Association. The Board of Directors shall have the power to remove any officer, for cause or without cause, by an affirmative vote of two-thirds (2/3) of the Board of Directors.

## **ARTICLE VIII - OFFICERS AND EMPLOYEES**

### **Section 8.1. Officers.**

**8.1.1.** Officers of the Association shall be the President, Vice President, Secretary, and the Treasurer. All officers must be APBA members.

**8.1.2.** The Association shall also have Category Chairmen and Council Members, all of whom shall be APBA members.

**8.1.3.** No Licensee Member may serve as an Officer of the APBA.

**8.1.4.** The election for the President and Vice President shall be held on the 1st Tuesday in October. (To be elected by current continuing and newly elected Board of Directors who were determined by membership vote.)

**Section 8.2. Duties of Officers.** The duties of the officers shall be those usually pertaining to their respective offices.

**8.2.1. President.** The President shall be selected by the Board of Directors to a term of two (2) years. The President may be a person other than an elected member of the Board of Directors and shall serve without compensation.

- a) The President shall provide leadership for the Association by setting the strategic agenda and priorities for consideration by the Board of Directors. The President shall also serve as the Chief Executive Officer of the Association and shall serve as the Association's representative to the Union Internationale Motonautique (UIM). The President shall be subject to the control of the Board of Directors and shall, in general, supervise and manage all of the business and affairs of the Association controlled by the Board of Directors. The President shall have authority subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of the Association as the President shall deem necessary, to prescribe their powers, duties and compensation and to delegate authority to them. The President shall have authority to sign, execute and acknowledge on behalf of the Association with the approval of, and within the guidelines established by, the APBA Board of Directors, all contracts, reports and all other documents or instruments necessary or proper to be executed in the course of the Association's regular business or which shall be authorized by resolution of the Board of Directors; and except as otherwise provided, the President may authorize any other officer or agent of the Board of Directors to sign, execute and acknowledge such documents or instruments in his place instead. In general, the President shall perform all duties of the office of a president and such other duties as may be prescribed by the Board of Directors from time to time.
- b) The President shall appoint all committees of the Association with approval of the Board of Directors.
- c) The President shall be a member ex officio of the Board of Directors and all governing bodies including categories, technical and other committees.
- d) When voting at the general assembly of the Union Internationale Motonautique, (UIM) the President or appointed delegate shall vote on matters of category rule changes only as authorized by the Chairman of the affected category.

**8.2.2. Vice President.** The Vice President shall be selected by the Board of Directors to a term to coincide with that of the President. The Vice President will perform the duties assigned by the President or the Board of Directors. In the absence of the President, or in the event of the President's death, inability or refusal to act, the Vice President shall perform the duties of the President and when so acting, shall have all of the powers of and be subject to all restrictions upon the President. The Vice President shall serve without compensation.

**8.2.3. Secretary.** The Secretary shall be selected by the Board of Directors to a term to coincide with that of the President. Among other things, the Secretary shall be responsible for the preparation and mailing of minutes of

the meetings of the Board of Directors meetings.

**8.2.4. Treasurer.** The Treasurer shall be selected by the Board of Directors to a term to coincide with that of the President. Among other things, the Treasurer shall handle any financial matters pertaining to the Association as authorized by the President of the Association.

**8.2.5. Region Officer.** The Region Officer shall serve a one-year term. The Region Officer shall be chosen from the Region Chairs by a vote of the Region Chairs. If a tie exists after a vote of the Region Chairs, the tie shall be broken by a vote of the Board of Directors. Only those members of the Board of Directors who were elected in at-large elections may vote. The Region Officer shall perform such duties as may be prescribed by the Board of Directors and shall be a member ex officio of the Board of Directors.

**8.2.6. Category Officer.** The Category Officer shall serve a one-year term. The Category Officer shall be chosen from the Category Chairs by a vote of the Category Chairs. If a tie exists after a vote of the Category Chairs, the tie shall be broken by a vote of the Board of Directors. Only those members of the Board of Directors who were elected in at-large elections may vote. The Category Officer shall perform such duties as may be prescribed by the Board of Directors and shall be a member ex officio of the Board of Directors.

**8.2.7. National Commissioner.** The National Commissioner shall be selected by the Board of Directors and shall have the powers and duties described in Article XIV of these Bylaws.

**8.2.8. Promotions Director.** A Promotions Director may be selected by the President with approval of the Board of Directors. The Promotions Director will report directly to the President and perform marketing, sales, and promotion functions for the organization. The Promotions Director will develop and execute various professional marketing, sales and promotional strategies to increase the organization's visibility in the motor sports marketplace. The duties of the Promotions Director may be handled by an employee located at the Association's headquarters office or may be handled by a contractor approved by the Association. The Promotions Director will be compensated in an amount from time to time approved by the Board of Directors.

**8.2.9. Steering Committees.** The Board of Directors may establish a Steering Committee for each grouping. Steering Committees shall be responsible for the growth, management and coordination of membership and racing within the respective groupings, and shall serve as a forum for discussion and as an advisory committee to the President and Vice President. Membership in and duties of such Steering Committees shall be established in resolution(s) adopted by the Board of Directors, in accordance with applicable law.

**Section 8.3.** The Board of Directors may appoint certain other persons to serve their needs as they determine from time to time to be helpful. These positions may be compensated as deemed necessary and approved by the Board.

**Section 8.4. Removal.** At a Special Meeting of the Board of Directors, called for the purpose of removing any Officer, such Officer may be removed from the office for cause or without cause with an affirmative vote of two-thirds of the Directors entitled to vote. When any Officer is removed, a new Officer may be elected for the unexpired term of the removed Officer by the Board of Directors. Notwithstanding the foregoing, (1) if the Region Officer is removed, the Board of Directors shall choose his or her successor from among the remaining Region Chairmen upon consultation with such Region Chairmen and (2) if the Category Officer is removed, the Board of Directors shall choose his or her successor from among the remaining Category Chairmen upon consultation with such Category Chairmen.

## **ARTICLE IX - ELECTIONS.**

**Section 9.1. Nominations.** Any member in good standing that receives a nomination which is received at APBA Headquarters by July 1 shall be placed on the ballot.

### **Section 9.2. Elections**

**9.2.1 Annual Elections.** Each year, an Annual Meeting of the Members shall take place on the second business day after September 19 for the purposes of conducting elections for directors. Such meeting of the Association shall take place at the National Headquarters in Eastpointe, Michigan and the APBA President shall preside thereat.

**9.2.1. Candidates.** A person may be a candidate for one office only and in the case of multiple nominations must notify the National Headquarters on or before July 15, which single office he/she is seeking. Any candidate listed on the ballot shall be ineligible for write-in candidacy for another office.

**9.2.2. Voting Rights.** Except as provided in Paragraph (b), each member and all member clubs in good standing as of August 10, of the year of election regardless of whether a club, individual, partnership or corporation, that are otherwise entitled to vote shall be entitled to one vote for each vacancy for member-elected offices.

#### **9.2.3. Voting Procedure.**

(a) **Proxies.** Each year, on or before August 20, an official mail ballot/proxy and return envelope shall be transmitted to each member in good standing entitled to vote bearing each and every name placed in nomination for each elective office and space for write-in vote for each position vacancy. Such ballot/proxy shall nominate the President of the Association to vote in the member's stead at the Annual Election of Directors. In order to be valid, ballots/proxies for election purposes shall be mailed in the return envelopes and must be postmarked no later than September 14, and must be received no later than 5 days thereafter.

- (b) No person shall be entitled to vote more than once regardless of the number of memberships such member might hold in this Association, except those members who are eligible to vote as individuals and also as authorized representative of a member club or corporation.
- (c) Members may “write-in” a member’s name on the ballot/proxy form. The write-in candidate must be a member in good standing as of August 30, in the year of election.
- (d) Prior to August 20 in each year, the President shall appoint, with the Board of Directors approval, an independent public accounting firm whose duty it shall be to certify to the President the number of any ballot/proxies received for each candidate. Said firm shall be solely responsible for removal of the ballots/proxies from the U.S. Post Office Box specially leased for the receipt of return ballots/proxies. Such firm shall provide such certification to the National Headquarters no later than the 1st business day following September 19.
- (e) The Election shall be held only after the certification has been received by the President. Any member entitled to vote may vote in the election for directors as described in these Bylaws and may do so in person or by proxy as described herein.
- (f) Any person receiving a plurality of the votes cast for any position shall be elected to such position.
- (g) In the event that two candidates receive the same number of votes, the tie will be broken by a single coin toss.
- (h) The President shall certify the results of the elections and the Secretary shall notify the members of the results.

## **ARTICLE X - APBA COUNCIL**

**Section 10.1.** There shall be a Council of the APBA which shall meet at the Annual Meeting of the Association and shall be advisory to the Board of Directors.

**Section 10.2.** The members of Council shall consist of the President, the immediate Past President, all Region Chairmen, all Category Chairmen and 12 Members-at-Large.

**Section 10.3. Council-members-at-large are directly elected by the members of the Association. Each year, four (4) council-members-at-large shall be elected by the membership for 3-year terms. The Council-Members-at-Large shall be nominated by the Nominating Committee. *During the transition period, no election shall take place during the summer of 2018.***

***Note: The wording in italics is to be removed after 2018.***

**Section 10.4.** Members of the APBA Council shall not be considered members of the Board of Directors. However, members of Council have the right to be present for any meeting of the Board of Directors and have the right to be heard during the Board’s

discussion of any item of business. Due consideration shall be given by the Board of Directors for any resolution of position by the APBA Council.

## **ARTICLE XI - COMMITTEES**

The following shall constitute committees of the Association and those committees shall be appointed by the Board of Directors upon recommendation of the President, in accordance with applicable law:

Annual Meeting	Legal New Class
Appeals & Discipline	National Rescue
Archives and Records	National Safety
Chief Referee	Nominating
Chief Surveyor	Offshore
E.C. Kiekhaefer Timing Equipment	Promotional / Marketing
Finance	Race and Rules Management
Governmental Affairs	Scoring
Hall of Champions	Special Events
Honor Squadron	Steering / Member Retention
Inboard Endurance <del>(2018-Season-Only)</del>	Survey Procedure
Inspection	Timers Certification & Timing
Insurance & Risk Management	Equipment
International Affairs & CBF	Thundercat
Coordinating	Vintage & Historic Race Boat
Jet River Racers	
Junior Classes	

All such committees shall have the duties from time to time assigned to them by resolutions adopted by the Board of Directors, as permitted by applicable law.

**ARTICLE XII - CATEGORIES OF RACING**

**Section 12.1. Categories of Racing.** There shall be established the following categories of racing of the APBA:

- Inboard
- ~~Inboard Endurance (beginning Nov. 1, 2018)~~
- Professional Racing Outboard
- Outboard Performance Craft Unlimited
- Modified Outboard Stock Outboard

**Section 12.2. Racing Commissions.** In order to regulate the sport of power racing within the respective racing categories there shall be established the following:

- Inboard Racing Commission
- ~~Inboard Endurance Racing Commission (beginning Nov. 1, 2018)~~
- Professional Racing Outboard Commission
- Modified Outboard Racing Commission
- Stock Outboard Racing Commission
- Outboard Performance Craft Racing Commission

**Section 12.3. Racing Commission Authority.** Each Racing Commission shall act as one common body in all matters involving discipline, new classes, appeals from rulings of race committees and referees, developing and maintaining rules for each class in their category, national championship selection and selection of officials for national championship events subject to its grant of authority.

~~**Section 12.4. Racing Commissions and Category Chairmen.** Any racing category that falls below 75 “active” APBA members will elect their chairman by simple popular vote of the “active” members. The chairman will then appoint the commissioners. For racing categories with 75 or more active members, each Racing Commission shall comprise 1 to 3 members from each APBA Region in which the racing category is “active”, as defined herein. Each commissioner shall be elected at the respective fall region meetings preceding the Annual Meeting of the Association. A category’s “active” status and the number of commissioners to be selected from a region shall be determined from the following chart:~~

<b>CATEGORIES</b>	<b>Min. Number of Active Racing Members in Category</b>	<b>STATUS</b>	<b>Commission Members Elected per Region</b>
<b>INBOARD</b>	Below 8	Inactive	0
	8 to 59	Active	1
	60 to 99	Active	2
	Over 99	Active	3
<b>MODIFIED OUTBOARD</b>	Below 8	Inactive	0
	8 to 35	Active	1

	36 to 60	Active	2
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	Over-60	Active	3
<b>OUTBOARD PERFORMANCE CRAFT</b>	Below-2	Inactive	0
	2 to 25	Active	1
	26 to 50	Active	2
	Over-50	Active	3
<b>PROFESSIONAL RACING OUTBOARD</b>	Below-6	Inactive	0
	6 to 30	Active	1
	30 to 60	Active	2
	Over-60	Active	3
<b>STOCK OUTBOARD</b>	Below-10	Inactive	0
	10 to 49	Active	1
	50 to 99	Active	2
	Over-99	Active	3

~~A review of current membership will be conducted on an annual basis and thresholds in the above table adjusted accordingly so that elected commission size will range between 6-18 members. The activity threshold numbers shall be adjusted by making calculations using the previous year's membership numbers.~~

~~**12.4.1. "Active" status.** A category of racing shall be considered "active" within any particular region if it meets the minimum participation as set forth in the above chart for the region. For the purpose of determining a category's "active" status, the highest number of either racing memberships in that region or active participants in that region shall be used. Each region may elect commissioners only from such region's "active" categories.~~

~~**12.4.2. Election of Commissioners.** Membership on each Racing Commission shall be for a 1-year term. A member must reside in the region from which the member is to be elected a commissioner. APBA members residing in Canada are allowed to run for commissioner from the particular region to which they have been assigned by APBA Headquarters. All Racing and active Officiating members shall be entitled to vote for Commissioners from their Region. Each racing member shall be entitled to vote for commissioners in each category of membership. Referees, inspectors, and scorers shall be entitled to vote for commissioners in each category in which they are approved. Each individual who is entitled to vote in a given category commission election shall be entitled to one vote for each commission vacancy in that category. Any member may serve on only one Racing Commission at a time. A member is not required to be present at the region meeting in order to be elected, unless region rules require the same. Commissioners so elected are required to attend and take part in their commission meetings at the next following Annual Meeting of the Association. Failure to do so will constitute a "failure to serve" as used in 12.4.5 Vacancies and may result in immediate replacement.~~

**Section 12.4. Racing Commissions and Category Chairmen.** Any racing category with fewer than 75 “active” APBA members will elect their chairman by simple popular vote of the “active” members. The chairman will then appoint the commissioners. For racing categories with 75 or more “active” members, each Racing Commission shall be comprised of 1 member from each APBA Region in which the racing category is “active” as defined herein. For the previous racing season, the number of “active” APBA members in each category in each region shall be tabulated. The three most populated regions for each category will be identified and those regions will be allowed a second elected commissioner in the category in which they are among the top three. In the event there is a tie in member counts, both regions shall receive a second elected commissioner. Each commissioner shall be elected in accordance with region bylaw 17.2.7

**12.4.1. “Active” status.** A category of racing shall be considered “active” within any specific region if it meets a minimum participation level which shall be either 5 active racers in a category or holding 1 event in that category. Each region may elect commissioners only from the region’s “active” categories.

**12.4.2. Election of Commissioners.** Membership on each Racing Commission shall be for a 1-year term. An APBA member must reside in the region from which the member is to be elected a commissioner. APBA members residing in Canada may be elected commissioner from the particular region to which they have been assigned by APBA Headquarters. ***All APBA Racing and Officiating members shall be entitled to vote for Commissioners from their Region.*** Each APBA racing member shall be entitled to vote for commissioners in each category of their membership. Referees, inspectors, and scorers shall be entitled to vote for commissioners in each category in which they are approved. Each APBA member who is entitled to vote in a given category commission election shall be entitled to one vote for each commission vacancy in that category. Any APBA member may serve on only one Racing Commission at a time. A member is not required to be present at the region meeting to be elected, unless region rules require attendance. Commissioners so elected are required to attend and take part in their commission meetings at the following Annual Meeting of the Association. Failure to do so will constitute a “failure to serve” as used in 12.4.5 Vacancies and may result in immediate replacement.

**12.4.3. Election of Category Chairmen.** A Category Chairman shall be elected by the elected commissioners for each Racing Commission for a term of

two (2) years,

which election shall be held no later than November 30. The previous Category Chair, if not an elected commissioner, shall be copied on all correspondence for nominations and voting.

**12.4.4. Chairman's Appointment of At-Large Commissioners.** In addition to the elected commissioners, any Category Chairman may appoint no more than 3 at-large commissioners. Additionally, the outgoing Category Chairman shall be appointed to the Commission for the year immediately following his term.

**12.4.5. Vacancies.** Should a commissioner relocate to another region, resign or fail to serve for any reason, the respective Category Chairman may appoint a replacement. The Racing Commissioners and Category Chairmen will continue to serve until their successors are duly elected and take office. In the event a commissioner also acts as a member of a race committee or as a referee, such commissioner may not vote on any appeal, protest or inquiry in connection with such event. A commissioner's failure to participate in two (2) consecutive meetings will constitute a failure to serve and may result in immediate replacement.

**12.4.6. Racing Commission Meetings.** The meetings of a Racing Commission shall be called by the Chairman of such Racing Commission as the Chairman may deem necessary. However, each Racing Commission shall hold an annual meeting in conjunction with the Annual Meeting of the Association. One-third (1/3) of the commission will constitute a quorum. All votes will be decided by a simple majority.

**12.4.7. Meetings by Conference Telephone.** The Racing Commissions may hold meetings by a conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Participation in any meeting conducted in this fashion is deemed the equivalent of being present in person at the meeting. One-third (1/3) of the commission will constitute a quorum.

**Section 12.5. DEPUTY COMMISSIONERS.** The Category Chairman of each Racing Commission shall have the power to appoint Deputy Racing Commissioners to represent such Commission locally, to assist individual members, member clubs and local regatta committees and officials in racing matters. In such case the Deputy Racing Commissioner shall have the same power and authority to act in a local area as though he were a member of such

Racing Commission and to act as such Commission's representative at regattas and time trials when no Commissioners are present. Deputy Racing Commissioners shall not be entitled to participate in a proceeding where action of the full Racing Commission is necessary. Deputy Commissioners shall not receive a vote in any Commission proceedings.

**Section 12.6. COMMITTEES AND OFFICIALS.** The Category Chairman of each Racing Commission shall have the power to appoint such committees pertaining to the regulation of racing within that Racing Commission's Category and such Racing Officials as and when it may be necessary, except those whose appointment is specifically assigned to other authority.

**Section 12.7. RULE CHANGE PROCEDURE.** For those categories that have not adopted other procedures for rule changes, the following shall be applicable,

**12.7.1.** Category Safety Rules shall be determined by the appropriate racing commission, **at or before the APBA Annual Meeting each year**, without going to ballot of the category members. A safety rule is defined as a rule to reduce the likelihood of injury or danger, as its primary purpose. All safety rules shall be reviewed by the Safety Committee. Rules become effective 30 days after publication in the Propeller Magazine and/or posted on the APBA website. In an emergency, after approval of the Safety Committee, a safety rule can become effective immediately, provided reasonable notice is given to all participants.

**Technical and Racing rules shall be determined by the appropriate racing commission, at or before the APBA Annual Meeting each year, without going to ballot of the category members.**

**12.7.3.** The Chairmen of the Racing Commissions shall mail to National Headquarters **within two weeks** all rule changes approved by their Commissions.

**12.7.4.** All rule changes will be effective 30 days from publication in Propeller magazine and/or posted on the APBA website.

**12.7.5.** Except when rules are changed or modified by the Board of Directors, rules may not be changed at any time or in any manner other than as specified above, except when obvious error is shown in the adoption or amendment of any rule or when, in the opinion of any Racing Commission, if **applied**, the good of the sport is at

stake. In such events, the Racing Commission, if applicable, with approval of the Board of Directors, may change the rule. In the event that the rule change is finalized prior to May 1, the rule change shall take effect 30 days after being finalized. Such rule changes shall be published in the next issue of Propeller and on the APBA website. In the event that the rule is not finalized prior to May 1, the rule change shall take effect the November 1 following the approved change.

**12.7.6.** A rule with a specified freeze duration of up to three years may not be changed during its specified freeze period without the approval of the Board of Directors.

**Section 12.8. JUNIOR CLASSES.** The APBA Junior Classes shall be governed by a committee determined by the President with approval of the Board of Directors. The

committee shall consist of a chairman appointed by the President and selections from the respective categories which have a common interest in developing the APBA Junior Classes.

**Section 12.9. THUNDERCAT CLASSES.** The APBA Thundercat classes shall be governed by a committee determined by the President with approval of the Board of Directors.

**Section 12.10. OFFSHORE CLASSES.** The APBA Offshore classes shall be governed by a committee determined by the President with approval of the Board of Directors.

### **ARTICLE XIII - TERM OF OFFICE**

All Board of Directors members, officers, Category Chairmen, elected persons, appointed persons, commission members and committee members shall assume the responsibilities of their position as of November 1 of the respective year of their term.

### **ARTICLE XIV - APPEALS**

**Section 14.1. Jurisdiction:** The American Power Boat Association National Commissioner may hear appeals from any determination made by APBA officials relating to penalties, technical questions, suspensions, termination of membership, or procedural questions.

**Section 14.2.** The National Commissioner shall be appointed by the APBA Board of Directors and shall serve until replaced, and shall be the final appellate authority within APBA.

**Section 14.3.** The National Commissioner may not consider any appeal until the member has exhausted all of the remedies available under the rules of the appropriate APBA category or administrative body.

**Section 14.4. Procedures:**

- a) Any member may appeal any action that, in the member's opinion, violated an APBA rule or By Law by filing a written appeal with National Headquarters, along with a \$1000 filing fee.
- b) Any appeal under this section must be filed within thirty (30) days from the date upon which the member received notice of the action which he chooses to appeal.
- c) The appeal must state distinctly the action that the member desires to appeal, the date the member received notice of such action, the grounds for the appeal, and must specifically state the number and page of the appropriate Rule or Bylaw which the member he claims that was violated.
- d) Upon receipt of such appeal, APBA National Headquarters shall provide a copy to the National Commissioner for determination of the appeal and will distribute copies to the Board of Directors members, and responsible party whose action is being appealed, for informational purposes.
- e) The National Commissioner shall determine the validity of the appeal by either:
  - i) Determining that the appeal has no merit and dismissing same, or
  - ii) Determining the outcome of the appeal, based upon the material submitted by the appellant and others, or
  - iii) Appointing a hearing committee to determine the merits of the appeal. The National Commissioner shall establish the most appropriate procedure for the hearing, taking into consideration the geographic area and the issues involved, in a manner best suited to ascertain the relevant facts and merits of the parties' positions. The National Commissioner shall inform the parties of the procedure prior to the

hearing. Members may appear in person at hearings but may not

participate through a representative or attorney. The hearing committee shall report their decision to the National Commissioner who shall notify the parties.

- iv) The National Commissioner may decide, in the interests of powerboat racing and/or the APBA, that any penalty under review be temporarily deferred until the appeal of the penalty has been resolved. The determination of the appeal may include upholding the appealed action, upholding the appeal, correcting, altering, amending, modifying the action, or granting any other appropriate relief, including the determination of an appropriate penalty.
- v) In the event the appeal is denied, the \$1000 filing fee may be retained by APBA. In the event the National Commissioner can determine there are mitigating circumstances, he/she has the right to determine whether or not the filing fee, or any part thereof, should be returned to the appellant. In the event that it is determined that the action being appealed was erroneous, the \$1000 filing fee will be returned to the appellant.

## **ARTICLE XV – DISCIPLINE**

**Section 15.1. Conduct.** Any member whose appearance, conduct, associations or affiliations, at or away from APBA sanctioned events, which are deemed not conducive to the best interests of APBA or who exhibits conduct which is inappropriate, offensive, abrasive or in bad taste, and persons who have been convicted from criminal activity may be denied membership or a license or may be excluded or suspended from APBA at the discretion of the Board of Directors.

**15.1.1.** The Board of Directors is further empowered to impose a fine and/or suspension of any participant or team that is found guilty of conduct detrimental to APBA or its sponsors.

**15.1.2. Physical Contact.** Intentional physical contact with any participant by any means is not allowed.

**15.1.3. Fraud.** Participants shall not make any misleading representations or fraudulent statements.

**15.1.4. Language, Etc.** All participants must refrain from any

inappropriate profane or objectionable language and gestures as such acts will not be tolerated.

**15.1.5. Criticism of Officials.** Any participant that publicly criticizes the officials will be considered to be acting in an unsportsmanlike manner, prejudicial or detrimental to the best interest of this sport.

**15.1.6. Proprietary Information.** Inspectors, and any other person serving in an official capacity, shall communicate information revealed during the inspection of a contestant's equipment only to:

- a) That contestant,
- b) His or her designated agent or agents,
- (c) Officials at the race as required in the conduct of the race, and
- (d) Appropriate other APBA officials and personnel as required by APBA rules and procedures. All persons who are in possession of such information shall pass it on to other individuals only if so required in the performance of their duties, or by APBA rules or procedures. Any violation of this rule will be considered a breach of ethics, and may be subject to disciplinary action. Any member who is in violation of any of the aforementioned provisions or any other action or misconduct as may be determined by the Board of Directors shall be subject to assessment of penalties in addition to any other penalties set forth in the Rules Books of the Association.

## **Section 15.2. Disciplinary Committee.**

**15.2.1.** The APBA Disciplinary Committee is established to rule on disciplinary action for violation of APBA Rules.

**15.2.2** Members of this Committee shall be appointed by the President with approval by the Board of Directors.

**15.2.3.** The Chairman of the Committee shall be appointed by the President. Upon receiving a written report of a violation, the Chairman of the Committee shall determine the appropriate action to be taken, pursuant to the following section.

## **Section 15.3. Procedure.**

**15.3.1.** All owners, drivers and members of the Association are subject to disciplinary action for violation of APBA rules.

**15.3.2.** Discipline arising out of competition and/or directed

toward a competitor or an official shall be the responsibility of the referee and the Chairman of the Disciplinary Committee.

**15.3.3.** If a violation of APBA rules occurs during an event, which the referee in charge of the event determines to be a serious threat to the safety of persons or property, that official is authorized to take emergency action against the violator. The authorized emergency action may include disqualification for the event, ejection from the racing premises, fine, and/or suspension. Any suspension under this paragraph shall be for not longer than 30 days from the time of the incident. Examples of conduct warranting such emergency action include, but are not limited to, the consumption of alcoholic beverages in restricted areas during an event, the use of drugs, fighting, and reckless driving.

**15.3.4.** Upon a showing of good cause, the referee may, without liability, reverse or revise the penalty.

**15.3.5.** All violations of APBA rules which involve discipline shall be recorded in written detail to the APBA National Office as soon as is practicable.

**15.3.6.** Upon receiving a written report of a violation, the Chairman of the Disciplinary Committee may ratify the referee's decision if it is determined that the violation is serious and that the member's continued participation in APBA events may well pose a serious threat to the integrity of the Association, and may impose lesser or additional penalties, including, but not limited to, censure, suspension, monetary fine, or expelling the member from the Association.

**15.3.7.** If the Referee determines that disciplinary action beyond the period of the sanction is appropriate, the member shall be informed of that action in writing ("Discipline Notice").

**15.3.8.** An appeal from any disciplinary penalty shall be made pursuant to Article

XIV.

**Section 15.4. Probation** - In addition to the procedures set forth above, the governing body shall have the authority, after a thorough investigation, to place a member on probation.

**15.4.1** A member may be placed on probation for the following:

- a) Conduct described in Section 15.1

- b) Repeat disqualification for violation of the rules
- c) A driving offense which created a substantial risk of bodily injury to another person.

**15.4.2** The probation shall not exceed twelve (12) months and shall be pursuant to written rules provided the member, by the chairperson.

**15.4.3** Any member placed on probation pursuant to this section may appeal to the National Commissioner pursuant to Article XIV.

**15.4.4** Any member placed on probation who violates the written rules of his probation may be subject to discipline under Article XV.

## **ARTICLE XVI - CONDITIONS OF MEMBERSHIP**

**Section 16.1.** Every person, member, body, club, group of persons, region of APBA or organizer who applies for and is granted an APBA sanction to conduct an event, or any person who applies for an APBA membership agrees to the following and acknowledges that membership in this organization is expressly conditioned upon acceptance of the following terms:

**16.1.1.** That they are familiar with the Bylaws of the American Power Boat Association, the general safety rules, general racing rules and the rules of the category to which they belong or under which an APBA sanction has been granted.

**16.1.2.** That they agree without reservation to the consequences resulting from the Bylaws of the American Power Boat Association and the general safety and racing rules and of the category to which they belong or under which an APBA sanction has been granted.

**16.1.3.** That they renounce and expressly waive any right to have recourse, except with the written consent of the American Power Boat Association, to any arbitrator or tribunal not provided for in said Bylaws and rules.

**16.1.4.** The interpretation and application of the safety rules and general racing rules and the rules of the respective categories shall be by American Power Boat Association officials, the respective categories and the Board of Directors and shall be final and binding. In order to promote the sport of powerboat competition, to achieve prompt finality in competition results, and in consideration of the numerous benefits to them, all members, including competitors and officials expressly agree that:

- a) Determination in decisions rendered by APBA officials,

officers or appeals panels may not be litigated in any tribunal except one established by this organization for such purpose;

- b) They will not initiate, threaten or maintain litigation of any kind against APBA or anyone acting on behalf of APBA to reverse or modify such determinations, or seek to recover damages or other relief allegedly incurred or required as a result of such determination; and
- c) If a member, competitor, or official initiates or maintains recourse outside of the association, or litigation in violation of these provisions, that member, competitor or official agrees to reimburse APBA for all costs of such litigation, including travel expenses and attorney fees.
- d) Any member or anyone under the jurisdiction of the Association who initiates recourse outside of the Association or litigation in violation of these provisions shall be liable to expulsion from the Association, suspension or disqualification.

## **ARTICLE XVII – REGIONS**

**Section 17.1. Purpose.** The primary purpose of each Regional Organization is to establish local representatives who are interested in and willing to be active in participation and furthering the aims and purposes of the Association, and in particular who will promote and assist member clubs, members who reside in their respective region, to promote APBA sanctioned events, and support the efforts of the Board of Directors. No Regional Organization or its directors or officers shall have any authority of the Board of Directors of the Association.

### **Section 17.2. Organization.**

**17.2.1.** The United States and all other areas within the scope of the operations of the American Power Boat Association, shall be divided into Regions, the extent and boundary lines of which shall be determined and fixed by the Board of Directors and may be altered from time to time by the Board of Directors as the best interest of the Association may require. Any change in existing boundaries or the creation of new Regions, however, shall only be made at a meeting of the Board of Directors at which two-thirds are present, and in the notice of said meeting, the proposed changes are to be set forth in detail.

17.2.2. For an event that occurs on inland bodies of water that are adjacent to different regions, the sanction applicant shall decide in which region the event occurs.

17.2.3. Each club or individual, upon acceptance as a member of the Association, shall automatically become a member of the Region in which the club or individual is located.

17.2.4. The affairs of each Regional Organization shall be managed by a Regional Board of Directors. The number of Regional Directors shall, however, be not less than three (3).

17.2.5. Each member of the Region shall be entitled to one vote for all the members of the region Board or Directors and all Regional Officers.

17.2.6. Every Region is authorized and empowered to adopt a regional rule or

regulation prescribing the method of electing its directors and officers, provided such rule or regulation is duly adopted by the Region at a meeting thereof, is approved by the Board of Directors, and is filed with the National Office. Such regional rule or regulation shall not be inconsistent with the Articles of Association or the Bylaws of the Association. When approved by the Board of Directors, all regional elections shall be conducted in accordance therewith. Amendments hereto shall be made only in the same manner required for the adoption of the original rule or regulation.

17.2.7. In the event that a region does not adopt a regional rule or regulation providing for the election of regional directors and officers, regional elections shall be conducted ~~only~~ as follows:

- ~~a) The Regional Nominating Committee shall consist of five members of the region who shall be appointed by the Region Chairman by and with the consent of the Region Board of Directors at the first meeting thereof following the regional annual meeting of each year, and they shall hold office until the next annual meeting or until their successors shall have been appointed. In the event of death, resignation, or disqualification of a member of the Nominating Committee, his vacancy shall be filled in the same manner as the original appointment. The Region Chairman shall designate one of the members of the Nominating Committee as Chairman. The Nominating Committee shall nominate candidates~~

~~for all members of the Region Board of Directors and Region officers, and the Chairman thereof shall file the report of the Nominating Committee with the Secretary of the Region and with the National Headquarters of APBA not later than thirty (30) days prior to the regional annual meeting. The selections of the Nominating Committee shall be specified in, or accompany, the notice of the regional annual meeting.~~

~~b) The election of regional directors and officers shall take place at the annual regional meeting, which shall be held not later than November 10 in each year. In addition to the selections of the Nominating Committee, any regional member in good standing may also be nominated from the floor for any elective office, provided his nomination is seconded by not less than four qualified members at the meeting. Elections may be either by ballot or by voice vote. Proxy voting at regional meetings shall not be permitted.~~

a. **Nominations** for Region officers must be received by the current Region Secretary no later than September 15. The Nominating Committee shall appoint a chair person to accept nominations, prepare a ballot, and receive all voted ballots. **Election** of Region Chair, region officers, and category commissioners may be conducted via email, survey platform, USPS, or in person. Each election shall be decided by a majority vote, tabulated at the annual Fall Region Meeting for officers for the next year. Each respective region secretary will send a ballot for election of the Region Chair, region officers, and category commissioners to all region members no later than October 1. Ballots must be returned no later than October 15. The ballot, or notification of the survey platform, will be sent to the members' email address on file at APBA. Members may correct or verify their email address with APBA prior to August 1 preceding the elections. If a member does not have an email address they must notify APBA prior to August 1, requesting their region secretary to send a USPS mailed ballot. In the event a USPS mailed ballot is requested it must be received by the region secretary no

later than the published deadline to be considered valid. It is incumbent upon the chair of the Nominating Committee to verify the validity of the ballots received. Example: A PRO member does not vote for a Commissioner in a Category of which he is not a member.

**\*\* For the 2018 elections, where Regions have been combined, the Secretaries from all affected Regions shall coordinate the procedure. For the 2018 elections, where August 1 appears, substitute September 1. This note will be removed after the 2018 Fall Elections.**

**b. The Region Chair shall be elected to a 2-year term beginning in 2020. For the 2019 season the Chair shall be elected for a 1-year term only.** There shall be no limit to the number of terms.

**Note: The italicized wording is to be removed from the bylaws by 3/1/2019.**

c. All other positions within the Region shall be elected annually.

**17.2.8.** Vacancies that occur in elective offices after election shall be filled by majority vote of the Regional Board of Directors. All regional officers and committees shall hold office until the next regional annual meeting or until their successors are elected or appointed, as the case may be.

**17.2.8.a – Each Region shall have the following Officers. Those Officers duties include but are not limited to the following.**

**Region Chair**

**Attend and represent the Region at the APBA annual meeting**

Preside over all Region Meetings

Attend and represent the Region at all Council meetings  
and conference calls

#### Region Vice Chair

Assist the Chair in fulfilling their duties

#### Secretary

Keep the minutes of each Region Meeting

Send notice of meetings to the APBA HQ for member  
notification

Facilitate the election of region officers.

#### Treasurer

Keep an accounting of region funds

Submit invoicing to clubs for payment of region dues  
accrued at an event

Provide an accounting of region funds to its members at  
each fall meeting or upon request of the Region Chair.

#### Region Activity ~~Vice~~ Chairs

Directors – 7 members ~~and each Club Commodore~~

17.2.8.b – Committees of each Region shall consist of;

**The members of these committees will be appointed by the  
region chair and should include a member from each**

**active category in the region. The committees so appointed will elect their chair.**

Nominating Committee

~~Awards Committee~~

~~Publicity Committee~~

Safety and Rescue Committee

Officiating Committee

**17.2.9.** In the event that the Regional Annual Meeting is not held prior to November 10, or that a region is left without a Region Chairman and successor, the Board of Directors shall appoint a temporary Region Chairman for the region in default. Within 15 days of this appointment, the temporary Region Chairman shall appoint a Nominating Committee and shall designate a Chairman thereof. The Chairman of the Nominating Committee shall file his report within 10 days thereafter, and the temporary Region Chairman shall call and conduct the annual regional meeting within 30 days thereafter.

**17.2.10.** By November 10th, the Secretary or Regional Chairman shall furnish the National Office of the Association with a list showing the names, titles, and addresses of the new officers, the names and addresses of the Region Board of Directors, and duly elected category commissioners.

**17.2.11.** A region shall have the power to adopt such rules and regulations for its own government and for the government of its officers and committees as it sees fit and to amend its own Region Bylaws; provided, however, that such local rules and regulations and amendments are not inconsistent with the Articles and Bylaws of the Association, the Region Bylaws, or such rules or regulations as the Board of Directors may from time to time adopt.

**17.2.12.** Any region may, by vote of its Board of Directors, restrict the right to vote for each Activity Chairman, to region members having racing equipment registered in the activity concerned, and to duly appointed officers and officials for the activity concerned.

## **APBA REGIONS**

- ~~1 Maine, Vermont, New Hampshire, Massachusetts, Connecticut and Rhode Island.~~
- ~~2 New York, Long Island, New York City and Suburbs.~~
- ~~3 Pennsylvania, east of 77 degrees 45 minutes, New Jersey, Delaware.~~
- ~~4 District of Columbia, Maryland, West Virginia, Virginia east of 80 degrees 30 minutes, and North Carolina east of 80 degrees 30 minutes.~~
- ~~5 Florida east of Apalachicola River, Georgia south of 33 degrees, South Carolina south of 33 degrees and east of 80 degrees 30 minutes, Bahama Islands, Puerto Rico.~~
- ~~6 Pennsylvania west of 77 degrees 45 minutes, Ohio, Michigan east of 87 degrees, Kentucky north of 37 degrees 30 minutes.~~
- ~~7 Wisconsin, Illinois, Indiana, Upper Peninsula of Michigan west of 87 degrees.~~
- ~~8 Minnesota, Iowa, Missouri.~~
- ~~9 Tennessee west of 89 degrees, Alabama south of 33 degrees, Mississippi, Louisiana, Arkansas, Florida west of Apalachicola River.~~
- ~~10 Washington, Oregon, Idaho, Montana and Utah~~
- ~~11 California north of 36 degrees 30 minutes, Nevada north of 36 degrees 30 minutes.~~
- ~~12 California south of 36 degrees 30 minutes, Arizona, Nevada south of 36 degrees 30 minutes, Hawaii.~~
- ~~13 Alaska.~~
- ~~14 Kentucky south of 37 degrees 30 minutes, Tennessee east of 89 degrees, Alabama and Georgia north of 33 degrees, Virginia and North Carolina and South Carolina all west of 80 degrees 30 minutes but South Carolina also north of 33 degrees.~~
- ~~15 Texas, Oklahoma.~~
- ~~16 Nebraska, Kansas, New Mexico, Colorado, South Dakota, North Dakota and Wyoming.~~

1 Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island

3 New York, Pennsylvania, New Jersey, Delaware

- 4 District of Columbia, Maryland, West Virginia, Virginia, North Carolina, South Carolina, Tennessee
- 5 Florida, Georgia, Mississippi, Alabama, Bahama Islands, Puerto Rico, Ecuador
- 6 Ohio, Michigan, Kentucky, Indiana
- 7 Wisconsin, Illinois, Minnesota, Iowa, Missouri
- 8 Kansas, Oklahoma, Louisiana, Arkansas, Texas, Colorado, New Mexico
- 9 California, Nevada, Utah, Arizona, Hawaii
- 10 Washington, Oregon, Idaho, Montana, Alaska, North Dakota, South Dakota, Wyoming, Nebraska

### 17.2.13 Divisions

For the purpose of selecting divisional champions, the regions are grouped as follows for the categories shown:

#### **Inboard:**

East: Regions 1, ~~2~~, 3, 4, 5, 6, 7, ~~8, 9, 14~~

West: Regions ~~8, 9, 10, 11, 12, 13, 15, 16~~

#### **Outboard Performance Craft:**

~~Northeast: Regions 1, 2, 3, 4~~

~~Southeast: Regions 5, 9, 14~~

East: 1, 3, 4, 5

Central: Regions 6, 7, 8

~~W. — Central:~~

~~Regions — 15,~~

~~16 Northwest:~~

~~Regions — 10,~~

~~13 Southwest:~~

~~Regions — 11,~~

~~12~~

West: 9, 10

#### **Professional Racing Outboard:**

East: All states east of Montana, Idaho, Utah, and Arizona  
West: All other states

**Stock Outboard, Modified Outboard and Junior Classes:**

Northeast: Regions 1, ~~2~~, 3

Southeast: Regions 4, 5, ~~9~~, ~~14~~

Central: Regions 6, 7, 8, ~~15~~, ~~16~~

West: Regions 9, 10, ~~11~~, ~~12~~, ~~13~~

**17.2.14 Regatta Officials**

All officials listed on a sanction must be approved by the Region Chair after passing the official test if so provided by APBA.

**17.2.15 Site Protection**

a. Race Site / Sponsor exclusivity will expire 18 months after the last sanctioned event at the location unless written permission is extended to a different conducting club. After the 18 months has expired the Race Site / Sponsor will be considered open to any club or category.

b. If the sponsor/site of a race in a particular racing division wishes to sponsor a race in a different division, or, if the sponsor/site wishes to change from one club to another club within the same division; the following sequence of events shall occur:

i. If the currently sanctioned club agrees to release the sponsor/site they may do so. The Commodore or other authorized party will inform the Region Chairperson in writing. No further Region action will be required.

ii. If the currently sanctioned club does not agree to release said sponsor/site, a mutually acceptable agreement will be reached between ALL affected parties. The Region Chairperson will moderate these proceedings.

iii. If no agreement can be reached before the sanctioning period, the Region Board of Directors may vote to approve the race. A special meeting may be called by the Region Chairman or a ballot taken by phone, mail, email, or electronically.

### **17.2.16 - Additions**

a. Each region may submit additional bylaw requests for their region. All additions to these By-Laws must be approved by 2/3 majority of region members voting, conducted in the manner described in section 17.2.7 and completed no later than the annual fall region meeting. All additions must be submitted to the APBA BoD for final approval.

Region-specific bylaws will be listed here upon approval of the APBA BoD. (Insert link to Appendix containing all Region Specific Bylaws).

~~**Region 1**~~

~~**Region 3**~~

~~**Region 4**~~

~~**Region 5**~~

~~**Region 6**~~

~~**Region 7**~~

~~**Region 8**~~

~~**Region 9**~~

~~**Region 10**~~

### **17.2.17 Region Fees**

#### **Regions to submit proposed region fees by January 1, 2019.**

Each region may adopt fees charged to clubs conducting events within its region boundaries as approved by 2/3 majority vote at the annual fall region meeting. Proposed region fees must be submitted to the APBA BoD for final approval.

**Region 1**

**Region 3**

**Region 4**

**Region 5**

**Region 6**

**Region 7**

**Region 8**

**Region 9**

**Region 10**

## **ARTICLE XVIII - AMENDMENTS AND APPLICATION**

**Section 18.1.** Amendments by the Board of Directors. Amendments to these Bylaws may be adopted by a two-thirds vote of the membership of the Board of Directors. Such a vote may be instituted by action of the President or any member of the Board of Directors.

**Section 18.2.** Amendments by the Members. Amendments to these Bylaws may be adopted by the members at the Annual Meeting of the Members or a special meeting of the Members.

## **ARTICLE XIX - CONFLICT OF INTEREST POLICY**

### **Section 19.1 Purpose**

**19.1.1** The purpose of this conflict of interest policy is to protect the APBA's interests when it is contemplating entering into a transaction, arrangement or decision that might benefit the private interests of an officer, director or employee of the APBA or might result in a possible excess benefit transaction.

**19.1.2** This policy is intended to supplement, but not replace, any applicable state and federal law governing conflicts of interest applicable to nonprofit organizations.

**19.1.3** This policy is also intended to identify "independent" directors.

### **Section 19.2 Definitions**

**19.2.1 Interested person** - Any director, officer, or member of a committee, who has a direct or indirect financial interest, as defined below, is an interested person.

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

- a. An ownership, investment or employment interest in any entity with which the APBA has a transaction or arrangement,
- b. A compensation arrangement with APBA or with any entity or individual with which APBA has a transaction or arrangement,
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which APBA is negotiating a transaction or arrangement, or
- d. An ownership, investment or employment interest in any entity with which the APBA utilizes the entity's services or products as part of the APBA's activities.
- e. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- f. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists, in accordance with this policy.

**19.2.3 Independent Director/Officer** -- A director or officer shall

be considered “independent” for the purposes of this policy if the Director or officer:

- a. is not, and has not been for a period of at least three years, an employee of APBA or any entity in which APBA has a financial interest;
- b. does not directly or indirectly have a significant business relationship with APBA, which might affect independence in decision-making;
- c. is not employed as an executive of another entity where any of APBA’s officers or employees serve on that entity’s compensation committee; and
- d. does not have an immediate family member who is an executive officer or employee of APBA or who holds a position with an entity that has a significant financial relationship with APBA.

### **Section 19.3 Procedures**

**19.3.1 Duty to Disclose** - In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board or Committee.

**19.3.2 Recusal of Self** - Any director or officer may recuse himself or herself at any time from involvement in any decision or discussion in which the director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

**19.3.3 Determining Whether a Conflict of Interest Exists** - After disclosure of the financial interest and all material facts, and after any discussion with the interested

person, he/she shall leave the Board or Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Committee members shall decide if a conflict of interest exists.

#### **19.3.4 Procedures for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at the Board or Committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or matter involving the possible conflict of interest.

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

#### **19.3.5 Violations of the Conflicts of Interest Policy**

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

#### **Section 19.4 Records of Proceedings**

The minutes of the Board and all committees shall contain:

**19.4.1** The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or Committee's decision as to whether a conflict of interest in fact existed.

**19.4.2.** The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the

discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

### **Section 19.5 Compensation**

**19.5.1** A voting member of the Board who receives compensation, directly or indirectly, from APBA for services is precluded from voting on matters pertaining to that member's compensation.

**19.5.2** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from APBA for services is precluded from voting on matters pertaining to that member's compensation.

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

### **Section 19.6 Annual Statements**

**19.6.1** Each director, officer and member of a committee shall annually sign a statement which affirms such person:

- a. Has received or has made available a copy of the conflict of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands APBA is a non-profit corporation and in order to maintain its status as such it must engage primarily in activities which accomplish one or more of its purposes.

**19.6.2** Each voting member of the Board, officer or committee member shall annually sign a statement which declares whether such person is an independent director.

**19.6.3** If at any time during the year, the information in the annual statement changes materially, the director, officer or committee member shall disclose such changes and revise the annual disclosure form.

**19.6.4** The Board shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective

oversight.

## **GLOSSARY OF TERMS**

Terms of the Glossary shall apply to the Bylaws, General Racing Rules, General Safety Rules and Category Rules.

**Association:** Shall mean the American Power Boat Association.

**Bona Fide Starter:** Any boat that belongs in the class for which the heat is run, which enters the race course within the allotted time, and crosses the starting line no later than allowed by the rules.

**Competitor, Driver, etc.:** Whenever the words “competitor”, “driver”, “boat”, “boat owner”, “mechanic” or “crew member” are used, unless the context indicates otherwise, the term used shall be interpreted to include a competitor, driver, boat, boat owner, mechanic or crew member assigned to or a member of the same racing team.

**Fair Start:** The instant when the bow of the first bona fide starter crosses the starting line no earlier than allowed by the rules.

**Heat:** A single continuous competitive event.

**Race:** An event or a series of heats that result in a single winner for each of the participating classes.

**Regatta:** The complete set of races and time trials that take place pursuant to a single application for an APBA sanction.

**Start of Race:** A race starts when the first boat crosses the starting line in an event or series of events that results in a single winner for its class. In an event that has two or more heats to determine a winner, the race starts when the first boat meeting all starting rules crosses the starting line for the first heat. In a heat utilizing timers that are synchronized with the starting clock, the race starts when the starting clock reaches “0”.