

GLENDALE YACHT CLUB

BY-LAWS

Revised as of May 25, 2019

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GLENDALE YACHT CLUB

REVISED BY-LAWS AS OF JUNE 30, 2018

ARTICLE I PLAN OF CLUB MEMBERSHIP

1. Name. The Club shall be known as the "Glendale Yacht Club, Inc." (hereinafter simply referred to as the "Club").
2. Purpose. The Club is organized for the following primary purposes: to encourage the sport of boating; to promote the science of seamanship and navigation; and to encourage personal contact, comingling, and fellowship among boat owners by providing and maintaining on a mutual basis a suitable clubhouse, anchorage, and ancillary facilities for the pleasure, use and recreation of its Members and guests.
3. Nature of By-Laws. Membership in the Club at any given time shall be governed by these By-Laws. All present and future holders of membership interests (as defined in Paragraph 1 of Article II and as sometimes referred to hereafter as an "Interest" or "Interests") in the Club shall be Members of the Club and shall hold such Interests subject to these By-Laws as may be amended from time to time and the Rules promulgated hereunder, and such leases and other legal documents as shall be executed by or on behalf of the Member and/or the Club.
4. By-Laws Applicability. The provisions of these By-Laws are applicable to the Club, the use of the property and interests therein, real and personal, owned by or reserved to the Club (the "Club Property"), and the sale, lease, or other transfer of Interests therein. All present and future Members and their guests, licensees, servants, agents, employees, and any other person who shall use the facilities of the Club, shall be subject to these By-Laws and to the Rules of the Club. The acceptance of an Interest shall constitute an acknowledgement that the holder of such Interest has accepted and ratified these By-Laws and the provisions of the Rules and will comply with them.
5. Office. The principal office of the Club and of the Board of Directors shall be located at 13 Smith Cove Road, Village of Glendale, Town of Gilford, New Hampshire 03249, or at such other place as may be designated from time to time by the Board of Directors.

ARTICLE II
MEMBERSHIP; MEMBERSHIP INTERESTS

1. Definition of Membership Interests. As used herein, an Interest shall include the following separate component sub-interests:
 - a. an interest in the Club Property as tenant-in-common with all other Members evidenced by a deed giving the holder an undivided fractional interest in all the Club Property in the percentage which will be specified in such deed;
 - b. a leasehold interest to a boat slip/dock site at the Club pursuant to a Proprietary Lease; (there shall be no sub-leasing of boat slips) and
 - c. voting membership in the Club.
 - d. These separate sub-interests shall collectively comprise an Interest. Copies of specimen deed and a specimen Proprietary Lease which will evidence these separate sub-interests are attached hereto as Appendices "A" and "B" respectively, and are incorporated herein by this reference. Once executed, these instruments or notices thereof shall be recorded in the Belknap Registry of Deeds. The individual Interests will be further evidenced by Certificates of Membership. The Secretary shall distribute such Certificates to each Member who purchases an Interest. Neither these Certificates nor the Interests they represent will be registered under the Federal Securities Acts of 1933 or any state securities laws.

2. Eligibility for Membership. The class of persons eligible to purchase Interests and become Members of the Club shall be restricted to those persons who own a pleasure boat and who intend to operate pleasure boats in the waters of Lake Winnepesaukee solely for recreational purposes, and in connection with these purposes, desire to participate on a mutual basis with others interested in pleasure boats in securing the use and availability of a facility that will be provide a gathering place for such persons and dock site and/or boat slip storage for their boats on a seasonal basis. Such persons shall become Members upon their purchasing an Interest, and upon paying the first installment rental/maintenance charges. Membership shall not be denied to any person on the basis of race, gender, age or religion. No business corporation shall be eligible to purchase an Interest. NO commercial business may operate out of the Club premises.

3. Restrictions. Ownership of multiple Interests is prohibited. No Member of record may own more than one boat slip.

ARTICLE III
MEMBERS' ASSOCIATION

1. Composition, Responsibilities and Authority. All of the Members, acting as a group in accordance with these By-Laws, shall constitute the Members' Association (hereinafter referred to simply as "the Association"). The Association shall have the responsibility of administering the Club property, establishing the means and methods of collecting the assessments for expenses in the form of rent/maintenance charges as hereinafter provided and as is provided in the Proprietary Leases, arranging for the management of the Club and performing all acts that may be required to be performed in the judgment of the Association. Except as to those matters that these By-Laws require to be performed by the vote of the Members, the administration of the Club shall be performed by the Board (as more particularly set forth in Article IV below).

2. Voting.

a. In General – Equal Voting Rights of Members. Except as provided in the subparagraph (b) below, all Members shall vote as a single class at all meetings of Members. Each Interest holder shall be entitled to cast one (1) vote attributable to his Interest irrespective of the voting factor attributable to his Interest.

b. Exception – Weighted Vote Upon Petition of Members.

1). Form of Petition. Notwithstanding the foregoing, the Members may successfully petition that a weighted vote be taken on any specific matter, provided that such petition is in writing; signed by at least ten (10) Members; specifying the particular matter(s) with respect to which a weighted vote is desired; and is submitted to the Club officer presiding over the meeting of the Association sometime prior to the taking of the vote to which he petition appertains.

2). Voting Factors Based on Classification of Members. The voting rights of the Members shall be determined by a classification scheme providing for three (3) voting classes. Members shall be assigned to one of such classes based on a "Voting Factor" weighing each class' interests roughly commensurate with the listed initial purchase price of the Interests held by the Members comprising the respective classes. These Voting Factors shall thus be apportioned among three (3) classes with the distribution of such Factors generally favoring the higher priced Interests. The classifications shall be as follows:

<u>Class</u>	<u>Number of Members In Class</u>	<u>Initial Purchase Price of Interest (\$)</u>	<u>Voting Factor</u>
A	23	\$28,001 - \$38,000	1.6
B	42	\$17,501 - \$28,000	1.2
C	16	\$10,000 - \$17,500	.8

The following is a breakdown of each Interest/Boat Slip dimensions and Voting Factors.

Interest Boat Slip/ Dock Site	Dimensions (ft.) * (Length x Width)	Voting Factor
1	20' x 8'	0.8
2	20' x 8'	0.8
3	20' x 8'	0.8
4	22' x 8'	0.8
5	22' x 8'	0.8
6	25' x 8'	1.2
7	25' x 8'	1.2
8	28' x 8'	1.2
9	28' x 8'	1.2
10	28' x 8 ½'	1.2
11	28' x 9 ½'	1.2
12	28' x 9 ½'	1.2
13	28' x 9 ½'	1.2
14	28' x 9'	1.2
15	30' x 12'	1.6
16	30' x 10 ½'	1.6
17	33' x 10'	1.6
18	37' x 14'	1.6
19	38' x 14'	1.6
20	38' x 11'	1.6
21	40' x 12 ½'	1.6
22	38' x 14'	1.6
22A	37' x 11'	1.6
22B	37' x 13'	1.6
23	20' x 8'	0.8
24	Boat House	1.2
25	Boat House	1.2
26	23' x 8'	1.2
27	23' x 8 ½'	1.2
28	23' x 8 ½'	1.2
29	25' x 9'	1.2
30	25' x 9'	1.2
31	25' x 8 ½'	1.2
32	25' x 8 ½'	1.2
33	25' x 8'	1.2
34	25' x 8'	1.2
35	27' x 8'	1.2
36	27' x 8'	1.2
37	27' x 8'	1.2
38	27' x 8'	1.2
39	27' x 8'	1.2
40	27' x 8'	1.2
41	27' x 8 ½''	1.2
42	27' x 8 ½''	1.2
43	30' x 11 ½'	1.6

44	30' x 10 ½'	1.6
45	42' x 14'	1.6
46	32' x 12'	1.6
47	30' x 12'	1.2
48	27' x 10'	1.2
49	27' x 10'	1.2
50	27' x 10'	1.2
51	25' x 10'	1.2
52	22' x 8'	0.8
53	22' x 8'	0.8
54	42' x 11'	1.6
55	42' x 10 ½'	1.6
56	42' x 11'	1.6
57	42' x 11'	1.6
58	42' x 11'	1.6
59	42' x 11'	1.6
60	38' x 11'	1.6
61	33' x 11 ½'	1.6
62	33' x 11 ½'	1.6
63	30' x 10 ½'	1.2
64	28' x 10 ½'	1.2
65	25' x 8 ½'	1.2
66	25' x 8 ½'	0.8
67	25' x 10'	0.8
B1	19' x 8'	0.8
B2	23' x 8'	1.2
B3	23' x 8'	1.2
B4	23' x 8'	1.2
B5	22' x 8'	0.8
B6	22' x 8'	0.8
B7	23' x 8'	1.2
B8	21' x 8'	0.8
C1	23' x 8'	1.2
C2	20' x 8'	0.8
C3	23' x 8'	1.2
C4	20' x 8'	0.8

- Length limitation refers to length overall and includes:

Outboard motors	Pulpits of all kinds
I/O's (stern drive)	Bowsprits
Swim platforms	Safety rails
Swim ladders	Rudders

c. Interests Held by More Than One Person. Since a Member may be more than one person, if only one of such persons is present at a meeting of the Association, that person shall be entitled to cast the votes appertaining to that Interest. But if more than one of such persons is present, the votes of that Interest shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the votes of that Interest without protest being made forthwith by any of the

others to the person presiding over the meeting. As applied to a person which is not a natural person, the word "person" shall be deemed for the purposes of this Section to include, without limitation, any one natural person having authority to execute deeds on behalf of such person which is not a natural person and which is, either alone or in conjunction with another person or persons, a Member. Except where a greater number is required by these By-Laws, a majority of the votes of those Members in good standing and entitled to vote or in the event of a weighted vote, votes by Members owning Interests to which a majority of the total Voting Factors appertain are required to adopt decisions at any meeting of the Association.

3. Place of Meeting. Meetings of the Members' Association shall be held at the Clubhouse or at such other suitable place as designated by the Board and as stated in the Notice of Meeting.
4. Annual Meeting. The Annual Meeting is held in the Spring of each year, on a date specified by the Board of Directors. At such Annual meetings, the Members of the Board shall be elected by ballot of the Members in accordance with the requirements of Section 4 of Article IV hereof. The Association may transact such other business as may properly come before it at such meetings.
5. Special Meetings. It shall be the duty of the Chairman to call a special meeting of the Association if so directed by resolution of the Board or upon a petition signed and presented to the Secretary by at least ten (10) Members specifying the particular matter(s) of concern. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.
6. Notice of Meeting. It shall be the duty of the Secretary to supervise emailing and/or mailing of notice of each annual meeting at least fourteen (14) days in advance of each annual meeting, and at least fourteen (14) days in advance of each special meeting, stating the purpose thereof as well as the time and place of said meeting. Emails will be sent, and if emails fail to be delivered, then the notice will be sent by regular mail to the address of record at the time of mailing. The emailing or mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.
7. Voting Requirements. Members shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Members' Association if, and only if, he shall have fully paid all assessments, rent and maintenance charges made or levied and due against him by the Board as hereinafter provided, together with all interest, costs, attorneys' fees, penalties and other expenses, if any, properly chargeable to him and against his Interest by April 1st of that year.
8. Proxies. The votes appertaining to any Interest may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Member or, in cases where the Member is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the person presiding over the meeting, by the Member or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy.
9. Quorum. A quorum shall be deemed to be present throughout any meeting of the Members Association until adjourned if persons entitled to cast votes on behalf of more than thirty-three and one-third percent (33 1/3%) of the Interests are present at the beginning of said meeting.

10. Order of Business. The order of business at all meetings of the Members Association may be as follows:

- (a) Roll Call – Quorum determined
- (b) Reading of minutes of preceding meeting
- (c) Reports of Officers and Board
- (d) Report of Committees (if any)
- (e) Election of Directors, if applicable
- (f) Unfinished business
- (g) New business, any of which may be waived
- (h) Adjournment

11. Conduct of Meeting. The Chairman, or his designee, shall preside over all meetings of the Members' Association and the Secretary shall keep the minutes of the meeting and record in a record book all resolutions adopted by the meeting as well as a record of all transactions occurring there. Robert's Rules of Order shall govern the conduct of all meetings of the Members' Association when not in conflict with these By-Laws.

ARTICLE IV
BOARD OF DIRECTORS

1. Powers and Duties. The affairs and business of the Club Property shall be managed by a Board of Directors (sometimes hereinafter referred to as the "Board"). The Board shall have all of the powers and duties necessary for the administration of the affairs of the Club. They may do all such acts and things as are not by these By-Laws directed to be exercised and done by the Members' Association. The Board shall have the power from time to time to adopt any Rules deemed necessary for the enjoyment of the Club provided that such Rules shall not be in conflict with these By-Laws. The Board shall elect one of its Members to serve as Chairman of the Board. The Board may delegate to one of its Members the authority to act on behalf of the Board on all matters which might arise between meetings of the Board. In addition to the general duties imposed by these By-Laws, the Board shall have the power to, and be responsible for the following:

- a. Preparation of annual budget, in which they shall establish the assessment of each Member for the Club Expenses.
- b. Making assessments in the form of rental and maintenance charges against Members to defray the expenses of the Club, establishing the means and method of collecting such assessments from the Members, depositing the proceeds thereof in a bank depository, and using the proceeds to carry out the administration of the Club. Unless otherwise determined by the Board, the annual assessments against each Member for his proportionate share of the Club's Expenses shall be mailed by the first week in January allowing time for invoices to be paid by April 1st. No Member and/or Renter will be allowed to have access to their boat slip until all dues, special assessments and penalties are paid. A late fee to be approved by the Board of Directors shall be applied after April 1st.
- c. Providing for the operation, care, upkeep, replacement, and maintenance of the Club Property and services of the Club.
- d. Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Club Property and providing services for the Club and, where appropriate, providing for the compensation of such personnel and for the purchase or use of equipment, supplies, and material to be used by such personnel in the performance of their duties.
- e. Making and amending Rules respecting the use of the Club Property and enforcing by legal means the provisions of these By-Laws and such Rules, and bringing any proceeding which may be instituted on behalf of the Members.
- f. Obtaining and carrying insurance against casualties and liabilities, as well as Board of Director coverage, paying the premium cost thereof and making, or contracting for the making of repairs, additions, and improvements to, or alterations of, the Club Property, in accordance with the other provisions of these By-Laws as supplemented by the attached specimen Proprietary Lease, after damage or destruction by fire or other casualty.
- g. Keeping books with detailed accounts of the receipts and expenditures affecting the Club Property, and the administration of the Club. The said books shall be available for examination by the Members, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Board for the general knowledge of the Members. All books and records shall be kept in accordance with generally accepted accounting practices.
- h. The appointment of an audit committee of two (2) Members, one of which may be a Director but shall not be the Treasurer, shall be made and approved by the membership

at each annual meeting. The audit committee shall annually review the accounts of the Club and report their findings thereon at the annual meeting. In its sole discretion, the audit committee is authorized to engage an external auditor to audit the accounts of the Club at the expense of the membership.

- i. To do such other things and acts not inconsistent with these By-Laws, and applicable state and federal laws.

2. Managing Agents. The Board may employ or contract with professional managers or management firm ("Manager") for a fee or compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 1 of this Article IV. The Board may delegate to the Managers all or a portion of the powers granted to the Board by these By-Laws; provided that any actions by the Managers with respect to the powers set forth in paragraphs (b) and (f) of Section 1 of this Article IV shall require the written consent of the Board. The term of any employment contract for a Manager may not exceed two (2) years, and any such employment contract shall provide, inter alia, that such agreement may be terminated for cause upon no more than sixty (60) days written notice

3. Number of Directors, Selection of Board, Election and Term of Office. The Board of Directors shall be composed of five (5) individuals who shall be elected by the Members of the Club commencing with the 2007 Annual Members' Meeting. Directors shall be elected for a term of three (3) years. The Directors shall take office at the conclusion of the meeting at which they are elected. They shall hold office until their successors are elected and qualified.

4. Organization Meeting. The first meeting of the Members of the Board following the annual meeting of the Members' Association shall be held within ten (10) days after the annual meeting at such a place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

5. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time, by a majority of the Directors, but at least one (1) such meeting shall be held during each twelve (12) month period after the annual meeting of the Members Association. Notice of regular meetings of the Board shall be given to each Director, personally or by email or telephone at least five (5) business days prior to the day named for such meeting, except that no notice shall be required for a regular meeting held immediately after, and at the same place as, the annual meeting of the Association.

6. Special Meetings. Special meetings of the Board may be called by the Chairman with five (5) business days notice to each Director. Such notice shall be given personally or by email or telephone, and such notice shall state the time, place, and purpose of the meeting. Special meetings of the Board may be called by the Chairman or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

7. Waiver of Notice. Before or within ten (10) days after any meeting of the Board, any Director may, in email or in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

8. Board of Directors' Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

9. Vacancies. Vacancies in the Board caused by any reason other than removal of a Director by a vote of the Members' Association shall be filled by vote of the majority of the remaining Directors, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum of the Board; and each person so elected shall be a Director for the remainder of the term of the Director that was replaced.

10. Removal of Directors. A Director may be removed with or without cause, and his successor appointed, at any duly called regular or special meeting of the Members' Association at which a quorum is present, by an affirmative vote of a majority of the votes represented and voting or, alternatively, by a majority of the Weighted Interests as provided in Article III, Paragraph 2, subparagraph (b) herein. Any Director whose removal has been proposed by the Members shall be given at least ten (10) days notice of the calling of the meeting and the purpose thereof and an opportunity to be heard at the meeting. Notwithstanding anything in this Section to the contrary, until the date of the closing of the sale of all of the Interests, no person selected and designated by the Incorporators as a Member of the Board may be removed without the consent of the Incorporators and in such event the Incorporators shall select and designate his successor.

11. Compensation. No Director shall receive any compensation for serving as a Director except for reasonable reimbursements of Director Meeting expenses.

12. Conduct of Meetings. The Chairman, or, in his absence, a chairman pro tem elected by the Board, shall preside over all meetings of the Board, and the Secretary shall keep the minutes of the meetings of the Board, recording therein all resolutions adopted by the Board and all transactions and proceedings occurring at such meetings, which minutes shall be filed in the Record Book of the Club.

13. Report of the Board of Directors. The Board shall present at each annual meeting, and when called for by vote of the Members' Association at any special meeting of the Association, a full and clear statement of the business and condition of the Club.

14. Fidelity Bonds. The Board may require that all officers, agents (including the Manager) and employees of the Members Association handling or responsible for funds furnish adequate fidelity bonds. The premiums on such bonds shall constitute a Club Expense.

15. Dispensing with Vote. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if all of the Members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

16. Liability of the Board of Directors. The Members of the Board shall not be liable to the Members for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Members shall indemnify and hold harmless each of the Directors from and against all contractual liability to others arising out of contracts made by the Board on behalf of the Members unless any such contract shall have been made in bad faith, due to willful misconduct or contrary to the

provisions of these By-Laws. It is intended that the Members of the Board shall have no personal liability (except as Members) with respect to any contract made by them on behalf of the Members unless made in bad faith, due to willful misconduct or contrary to such provisions. It is also intended that the liability of any Member arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the Members of the Board shall be limited to such proportion of the total liability thereunder as his undivided interest in the Club Property bears to the undivided interests of all of the Members. Every written agreement made by the Board or by the Manager on behalf of the Members shall, if obtainable, provide that the Members of the Board or the Manager, as the case may be, are acting only as agents for the Club and shall have no personal liability thereunder (except as Members), and that each Member's liability thereunder shall be limited to such proportion of the total liability thereunder as his undivided interest in the Club Property bears to the undivided interests of all Members. The Members shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether or not based in contract, by reason of the fact that he is or was a Director, or officer, against expenses (including reasonable attorneys' fees), judgments, fines, and amounts paid in settlement incurred by him in connection with such action, suit, or proceeding unless he acted in bad faith, was guilty of willful misconduct, or acted contrary to the provisions of these By-Laws or the Rules.

ARTICLE V
OFFICERS

1. Designation. The principal officers of the Club shall be a Chairman, a Secretary, and a Treasurer, all of whom shall be elected by the Board. The Board may appoint such other officers as in its judgment may be necessary. The Chairman must be a Member of the Board. A person may hold more than one (1) office.
2. Election of Officers. The officers of the Club shall be elected annually by and from the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Any vacancy in an office shall be filled by the Board at a regular meeting, or special meeting called for such purpose.
3. Removal of Officers. The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the whole Board, and his successor may be elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.
4. Chairman. The Chairman shall be the chief executive officer. He, or his designate, shall preside at meetings of the Members' Association and shall be an ex-officio Member of all committees. He shall have general and active management of the business of the Club and shall see that all orders and resolutions of the Board are carried into effect. He shall have all the general powers and duties that are usually vested in or incident to the office of Chairman of a stock corporation organized under the laws of the State of New Hampshire.
5. Secretary. The Secretary shall attend all meetings of the Board and all meetings of the Members' Association, shall record the minutes of all proceedings in the record book of the Club and shall perform like duties for committees when required. He shall keep the record book current and in his custody. He shall give, or cause to be given, notice of all meetings of the Members' Association, the Board, and committees and shall perform such other duties as may be prescribed by the Board or Chairman. The Secretary shall compile and keep current at the principal office of the Club a complete list of the Members and their last known residential addresses. This list shall be open to inspection by all Members and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days.

6. Treasurer. The Treasurer shall have the custody of all funds and securities that are not under the control of the Directors or Manager, if any, and, with the assistance of the Directors or Manager, shall keep full and accurate records of receipts and disbursements, shall prepare all required financial data, and shall deposit all money and other valuable effects in such depositories as may be designated by the Board. He shall disburse funds as ordered by the Board, where possible taking proper vouchers for such disbursements, and shall render to the Chairman and Directors, at the regular meetings of the Board or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Association.

7. Agreements, Contracts, Checks, etc. All agreements, contracts, leases, checks, and other instruments of the Association for expenditures or obligations shall be executed by the Chairman and Treasurer of the Association, or by such person or persons as may be designated in writing by the Board.

8. Compensation of Officers. No officer shall receive any compensation for serving as an officer.

ARTICLE VI
OPERATION OF THE PROPERTY

1. Determination of Club Expenses and Assessments Against Members.
 - a. Fiscal Year. The fiscal year of the Club shall consist of the twelve (12) month period commencing on January 1 of each year and terminating on December 31 of the same year. The fiscal year herein established shall be subject to change by the Board.
 - b. Preparation and Approval of Budget. Each year the Board shall adopt a budget for the Club containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, management, operation, repair, and replacement of the Club Property and the cost of wages, materials, insurance premiums, property taxes, service supplies, and other expenses that may be expected to be incurred with respect to Club Property or activities (hereinafter sometimes referred to as "cash requirements"), and which will be required during the ensuing fiscal year for the administration, operation, maintenance, and repair of the Club Property and the rendering to the Members of all related services. Such budget shall also include such reasonable reserves as the Board considers necessary to provide a general operating reserve, and reserves for contingencies and replacements. The Board shall make reasonable efforts to send to each Member a copy of the budget, in a reasonably itemized form which sets forth the amount of the expenses payable by the Member at least thirty (30) days in advance of the fiscal year to which the budget applies. The Members shall then have the authority to convene a special meeting of the Members' Association for the purpose of approving, rejecting or altering the budget, provided that such special meeting is convened sometime in advance of the fiscal year to which the budget applies. If no such special meeting is called, the said budget shall constitute the basis for determining each Member's contribution for the expense of the Club.
 - c. Assessment and Payment of Club Expenses. The total amount of the estimated funds required for the operation of the property set forth in the budget for the fiscal year adopted by the Board shall be assessed against each Member in the form of rent, sometimes called maintenance, in an amount equal to that portion of the Club's cash requirements for such year which the Voting Factor attributable to each such Member's Interest bears to the total of all Voting Factors of all Members' Interests. On or before April 1st, each Member shall be obligated to pay the annual assessment for the fiscal year. After each fiscal year, the Board shall supply to all Members an itemized income and expense statement. The amount accumulated in excess of the amount required for actual expense and budgeted reserves shall, at the discretion of the Board, either be rebated to the Members in accordance with each Member's respective undivided interest in the Club Property or shall be added to reserves.
 - d. Reserves. The Board shall build up and maintain an adequate operating reserve and reserve for replacement of Club Property shall be placed in a separate bank account, segregated from the general operating funds, and used only for such purposes. If for any reason, including nonpayment of any Member's assessments, the reserves are inadequate, the Board may at any time levy a further assessment. This shall be assessed against the Members according to their respective Voting Factors and which may be payable in a lump sum, or in installments, as the Board may determine. The Board shall serve notice of any such further assessment on all Members by a statement through email

or by regular mail, giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next annual payment, or as earlier, as required by the Board. All Members shall be obligated to pay the adjusted amount, or, if the additional assessment is not payable in installments, the amount of such assessments.

- e. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of a Member's obligation to pay his allocable share of the Club expenses as herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget.

2. Payment of Club Expenses. Each Member shall be obligated to pay the Club Expenses, including any special assessments, assessed against his Interest by the Board pursuant to the provisions of Section 1 of this Article. No Member may exempt himself from liability for his contribution toward Club Expenses by waiver of the use or enjoyment of any of the Club Property. No Member shall be liable for the payment of any part of the Club Expenses assessed against his Interest subsequent to transfer by him of such Interest provided said transfer is undertaken in accordance with Article VII hereof. Except with respect to a transfer at foreclosure, a transferee of an Interest shall be jointly and severally liable with the transferring Member for all unpaid assessments against the latter for his proportionate share of the Club Expenses up to the time of the transfer ("Prior Assessments") without prejudice to the transferee's right to recover from the transferring Member the amounts paid by the new Member therefor; provided, however, that any such transferee shall be entitled to a recordable statement from the Board Chairman or the Treasurer setting forth the amount of the prior assessments against the transferring Member as of the date of transfer and such transferee shall not be liable for any prior assessments in excess of the amount herein set forth.

Notwithstanding the above, if an Interest is transferred as a result of foreclosure of a mortgage, or through the enforcement of any other remedies provided for in a mortgage, or by virtue of a deed in lieu of foreclosure, such mortgagee or purchaser, his successors and assigns, shall not be liable for the payment of any prior assessments provided said mortgage was of record at the time of the accrual of the prior assessments. Any prior assessments remaining unpaid as a result of such a transfer shall become a general expense of the Club and assessed to all Members pursuant to Section 1 of this Article VI.

3. Collection of Assessments. The Board shall take prompt action to collect any assessments for Club Expenses due from any Member that remain unpaid for more than thirty (30) days from the due date for payment thereof. In the event of a default in a Member's obligation to pay rent or maintenance which remains uncured for a period of thirty (30) days, the Board shall assess a late fee after the thirty (30) day due date.

4. Maintenance and Repair. The Board shall be responsible for the maintenance, repair, and replacement (unless necessitated by the negligence, misuse, or neglect of a Member or of a person gaining access with said Member's actual or implied consent, in which case such expense shall be charged to such Member), of all the Club Property, whether now existing or hereafter constructed, the cost of which shall be assessed to all Members as a Club Expense. Notwithstanding the above, Members owning Interests numbered 24 and 25 (covered boat slips) shall be authorized and obligated to maintain and repair at their own expense, those portions of the improvements enclosing boat slips/dock sites numbered 24 and 25 which are unique to said boat slips/dock sites.

5. Additions, Alterations, or Improvements by the Board. Whenever, in the judgment of the Board, the Club Property shall require additions, alterations, or improvements costing more than of Ten Thousand Dollars (\$10,000) during any period of twelve (12) consecutive months, and the making of such additions, alterations, or improvements shall have been approved by the majority of the votes of the Members, the Board shall proceed with such additions, alterations, or improvements and shall assess all Members for the cost thereof as a Club Expense. Any additions, alterations, or improvements costing Ten Thousand Dollars (\$10,000) or less during any period of twelve (12) consecutive months may be made by the Board without approval of the Members and the cost thereof shall constitute part of the Club Expenses. In addition to the Board's authority stated above, if the Board in its sole discretion determines that the preservation of the Club Property requires emergency repair, it may, by unanimous vote of the Board, proceed with such repairs and shall assess all Members for the cost thereof as a Club Expense.

6. Additions, Alterations, or Improvements by Members. No Member shall make any structural addition, alteration, or improvement in or to the Club Property without the prior written consent of the Board.

7. Restrictions on use of Club Property. To assist the Club in providing for congenial use of the Club Property by the Members, it is necessary that the Board have the right and authority to exercise reasonable controls over the use of the Club Property. Violation of the following enumerated prohibitions shall not be permitted, and the Board is hereby authorized to take all steps necessary to prevent or discontinue any violations thereof, all at the expense of the violator:

- a. No nuisance shall be allowed nor shall any use or practice be allowed which is a source of annoyance or which interferes with the peaceful and proper use of the Club Property by the general membership.
- b. The Club Property may not be used for any unlawful, immoral, or improper purpose.
- c. No Member or guest shall direct or engage any employee of the Club on any private business, nor shall he direct, supervise, or in any manner attempt to assert control over any such employee.
- d. The Club Property is to be used by the Members and their guests solely for the purpose of providing a means for boating enthusiasts to join together and enjoy recreational and social facilities on a mutual basis, and not impact other Members' usage. Accordingly, the use of the Club Property by the Members shall be entirely personal in nature. No Club facilities may be utilized for the purpose of generating a profit from business activities which might inure to the benefit of the Club or the membership. This prohibition of business use of the premises shall preclude:
 - i. any solicitation by advertisement or otherwise for public patronage of Club facilities;
 - ii. any rental of Club facilities to Members of the general public; and
 - iii. any sales of Club Property for profit.

For the purposes of subparagraph iii above, a sale of Club Property which is incidental to the Club's purposes as described in Article I shall not be considered a sale for profit. Such "incidental sales" of Club Property shall include sales of property necessitated by business or practical exigencies, or a sale of Club Property upon the dissolution of the Club.

- e. No Member shall have the right to demand a partitioning of his undivided interest in the Club Property. Accordingly, by accepting the conveyance of his Interest, each Member waives whatever legal rights he may have otherwise held as a tenant-in-common to petition a court of equity for a partitioning of the Club Property among the Members.

- f. All Interests are restricted to non-residential use.

In the use of the Club Property, the Members shall obey and abide by all valid laws, ordinances, and zoning and other governmental regulations affecting the same and all applicable Rules adopted by the Board. The Club Property shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the Member's use of the Club Property.

8. Right of Access. The Board and the Members shall have a right of access to the boat slips and/or dock sites and to the Member's boats for the purpose of making inspections or for the purpose of correcting any condition originating in such boat and threatening another boat or Club Property, provided that the requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Members. In case of any emergency, such right of entry shall be immediate whether the Member is present at the time or not.

9. Rules. Rules concerning the operation and use of the Club Property may be promulgated and amended by the Board, provided that such Rules are not contrary to or inconsistent with these By-Laws. Copies of the Rules and amendments thereto shall be furnished by the Board to each Member prior to the time when the same shall become effective.

ARTICLE VII
SALES, AND ALIENATION OF INTERESTS

1. No Severance of Ownership. No Member shall execute any deed, mortgage, or instrument conveying or mortgaging the title to his Interest without including therein the undivided interest of such Interest in the Club Property, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without expressly including all such interests, shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. Except to the extent otherwise expressly provided by these By-Laws, the undivided interest in the Club Property allocated to any Member shall not be altered and any purported transfer, encumbrance, or other disposition of that interest without the Interest to which it appertains shall be void.

2. Right of First Refusal. No Member shall encumber or dispose of his Interest or any portion thereof without the written consent of the Board, or in the absence of such written consent, without first giving to the Board at least thirty (30) days written notice by registered mail or personal delivery of his intention to sell, transfer or assign his Interest. No such notice shall be given until the Member desiring to sell or otherwise dispose of his Interest shall have obtained a bona fide written offer to purchase or otherwise transfer his Interest. A true copy of such written offer setting forth all the terms of the proposed sale or disposition, with the names and addresses of the purchaser or transferee, shall be attached to the registered notice. Within such thirty (30) day period, a meeting of the Board shall be called upon not less than five (5) nor more than ten (10) days notice by email or registered mail, such meeting to be held at the principal place of business of the Club. At such meeting, the Board shall determine whether to acquire said Interest and shall notify the Member within said thirty (30) day period whether the Club shall acquire the Interest upon the terms and conditions set forth in the written offer or whether the Club shall waive its Right of First Refusal. In the event the Club acquires said Interest, it must close within sixty (60) days of receipt of the notice of the Member's intention to sell. In the event the Club waives its Right of First Refusal, it shall deliver to Member a written waiver in a form suitable for recording specifying and limited to the offer under consideration. Failure of the Club to close within sixty (60) days, provided said failure is not due to Member's acts or inaction, and failure to deliver a waiver in a form suitable for recording within said sixty (60) days shall constitute a waiver and the Club shall have no further rights under its Right of First Refusal with respect to said offer.

3. Payment of Assessments. No Member shall be permitted to convey, mortgage, sell, give, or devise his Interest unless and until he (or his personal representative) shall have paid in full to the Board all unpaid Club Expenses theretofore assessed by the Board with respect to his Interest. The Chairman of the Board or the Treasurer shall promptly furnish to any Member (or his devisee or personal representative) requesting the same pursuant to this Section, a recordable statement certifying whether or not such Member is then obligated for any outstanding assessment previously levied against that Member's Interest and the amount, if any, then outstanding. In the event that the Interest is subject to outstanding expenses previously levied against such Interest, the statement shall certify any waiver of, or failure or refusal to exercise, the right of the Members' Association to prevent the disposition of such Interest, in all cases where the Association allows such disposition. Failure or refusal to furnish such a statement within ten (10) days of receipt of such written request by the Chairman of the Board or the Treasurer shall make the above-mentioned prohibition inapplicable to any such disposition of the Interest. Any such statement shall be binding on the Association, the Board, and every Member.

ARTICLE VIII
AMENDMENT TO BY-LAWS

1. Amendments. Except as otherwise provided herein, these By-Laws may be modified or amended either:
 - a. By a majority vote cast in person or by proxy at a meeting of the Members' Association duly held in accordance with the provisions hereof, provided that Notice of the proposed amendment shall have been given to each Member simultaneously with the notice of such meeting, or
 - b. Alternatively, pursuant to a petition of the Members pursuant to subparagraph (b) of Paragraph 2 of Article III hereof, pursuant to a weighted vote by Members owning Interests to which a majority of the total Voting Factors appertain; provided, however, that Article I, Section 2, concerning the purpose of the Club, and Article VI, Section 7 (d) hereof, concerning restrictions on the use of the Club Property, shall not be subject to amendment in any event except such amendments as may be necessary to initially qualify the Club for tax-exempt status under Section 502(c)(7) of the IRC of 1954, as amended, or preserve such status once granted.

2. Approval of Mortgagees. These By-Laws contain provisions concerning various rights, priorities, remedies, and interests of the mortgagees of Interests. Such provisions in these By-Laws are to be construed as covenants for the protection of the mortgagees on which they may rely in making loans secured by the mortgages on the Interests. Accordingly, all mortgagees, with respect to which the Board has received notice pursuant to Article IX below, shall be given thirty (30) days notice of all proposed amendments, and no amendment or modification of these By-Laws impairing or affecting the rights, priorities, remedies, or interest of a mortgagee (including the mortgagee's use of a secondary mortgage market) shall be adopted without the prior written consent of such mortgagee. If there is more than one mortgagee holding mortgages of the Interests, it shall be sufficient for this purpose to obtain the written consent of the mortgagee or mortgagees holding mortgages on two-thirds (2/3) or more of the Interests encumbered by mortgages.

ARTICLE IX
MORTGAGES

1. Notice to Board. A Member who mortgages his Interest shall notify the Secretary of the name and address of his Mortgagee, and shall file a conformed copy of the Mortgage with the Secretary of the Association within two (2) days of the recording of the Mortgage. The Secretary shall maintain suitable records pertaining to such Mortgage. A Member shall promptly notify the Secretary when such Mortgage has been discharged in the Registry of Deeds.

2. Notice of Unpaid Assessments for Club Expenses. The Chairman of the Board or the Treasurer, whenever so requested in writing by a Mortgagee of an Interest, shall promptly report any then unpaid assessments for Club Expenses due from, or any other default by, the Member who owns the mortgaged Interest.

3. Notice of Default. The Board shall give written notice to a Member of any default by the Member in the performance of any obligations under the By-Laws, and, if such default is not cured within thirty (30) days, shall send a copy of such notice to each holder of a Mortgage covering such Interest whose name and address has theretofore been furnished to the Secretary.

4. Notice of Damage. The Board shall notify all Mortgagees whenever damage or loss to, or taking of, the Club Property exceeds Ten Thousand Dollars (\$10,000).

5. Examination of Books. Each Member and each Mortgagee shall be permitted to examine the books of account of the Club at reasonable times, on business days but with respect to Members, not more often than once a month.

ARTICLE X
NOTICE

1. Manner of Notice. All notices, demands, bills, statements, or other communications provided for or required under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally, emailed (return receipt required), or if sent by U.S. Postal Service, first class postage prepaid:

a. If to a Member, at his residential address as the Member may have designated by notice in writing to the Secretary; or

b. If to the Members' Association, the Board or the Manager at the principal office of the Manager or at such other address as shall be designated by notice via email or in writing to the Members pursuant to the Section.

2. Waiver of Notice. Whenever any notice is required to be given under the provisions of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE XI
COMPLIANCE AND DEFAULT

1. Each Member shall be governed by, and shall comply with, all of the terms of these By-Laws and the Rules and any amendments of the same. A default by a Member as defined in Paragraph 24 of the specimen Proprietary Lease shall entitle the Members' Association acting through the Board or the Manager to the following relief:
 - a. Legal Proceedings. Failure to comply with any of the terms of these By-Laws and the Rules shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, any other relief provided for in these By-Laws including those remedies described in Paragraph 25 of the specimen Proprietary Lease, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Members' Association, the Board, the Manager, or, if appropriate, by any aggrieved Member.
 - b. Additional Liability. Each Member shall be liable for the expenses of all maintenance, repair, or replacement rendered necessary by his acts, neglect, or carelessness or the act, neglect, or carelessness of any of his tenants, guests, employees, agents, or invitees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board. Nothing contained herein, however, shall be construed as modifying any waiver by an insurance company of its rights of subrogation.
 - c. Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by a Member, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be determined by the court.
 - d. No Waiver of Rights. The failure of the Members' Association, the Board or of a Member to enforce any right, provision, covenant, or condition which may be granted by these By-Laws or the Rules shall not constitute a waiver of the right of the Association, the Board, or any other to enforce such right, provision, covenant, or condition in the future. All rights, remedies, and privileges granted to the Association, the Board, or any Members pursuant to any term, provision, covenant, or condition of these By-Laws or the Rules shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of the remedies, nor shall it preclude the party exercising the same from exercising such privilege as may be granted to such party by these By-Laws, or the Rules, or at law or in equity.
 - e. Interest. In the event of a default (as defined in Paragraph 24 of the specimen Proprietary Lease) by a Member which continues for a period in excess of thirty (30) days, such Member shall be obligated to pay interest in the amounts due at the highest rate permitted by law, or at twelve percent (12%) whichever is less, per annum from the due date thereof. In addition, the Board shall have the authority to impose a late payment charge on such defaulting Members. The amount of the late fee will be determined by the Board.
 - f. Abatement and Enjoinment of Violations by Members. The violation of any Rule adopted by the Board or the breach of any By-Laws contained herein shall give the Board or the Manager the right, in addition to any other rights set forth in these By-Laws:

- i. To enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; or
- ii. To suspend or limit the right of the Member committing the violation to use any part of the Club Property during the continuance of such violation.

ARTICLE XII
DISSOLUTION

1. The Members may, upon the affirmative vote of Members holding Interests to which at least two-thirds (2/3) vote of the total aggregate Voting Factors, elect to terminate all Proprietary Leases, however, the individual Members shall continue to hold their tenancy-in-common interests in the Club Property until such time as the business is wound up.

2. In the event of dissolution of the Club, all assets remaining, after all liabilities and obligations of the Club have been paid or adequate provisions made therefor, shall be distributed among the Members in proportion to the respective Voting Factors appertaining to their respective Interests.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

1. Severability. If any provision of these By-Laws or any section, sentence, clause, phrase, or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of these By-Laws shall not be affected thereby and to this end the provisions hereof are declared to be severable.
2. Waiver. No restriction, condition, obligation, or provision of these By-Laws shall be deemed to have been abrogated or waived by any reason of any failure or failures to enforce the same.
3. Captions. The captions contained in these By-Laws are for convenience only and are not part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.
4. Gender, etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

APPENDIX A

Attach a Specimen Deed

APPENDIX B

Attach a Specimen Proprietary Lease