

**MEMBERSHIP AGREEMENT
FOR THE OPERATION OF
NORTH PASSAGE YACHT CLUB, LLC**

1. FORMATION. Pursuant to Florida law, the Members have formed a Florida limited liability company, North Passage Yacht Club, LLC (the "Club"), effective upon the filing of the Club's Articles of Organization with the Department of State on July 10, 2012. **The Club is a private organization that is not affiliated with the North Passage Home Owner's Association.**

2. PURPOSE. The purpose of the Club, as set forth in the Club's Articles of Organization, is to support recreational boating and social activities among its members and to encourage and facilitate the interaction of its members through events, educational and conservation programs and other activities. The Club, through its Members, Officers, and Board of Directors shall have the authority, in the manner set forth herein, to take any action deemed to accomplish or promote this purpose. The Club shall not engage in any other business without the majority consent of the Members, and no Member is authorized to obligate the Club to any business other than as provided in this Section.

3. REGISTERED AGENT AND PLACE OF BUSINESS. Pursuant to Florida law, the name and address of the initial Florida registered agent for service of process shall be as stated in the Articles of Organization, and as subsequently registered with the Department of State. The Club's principal place of business and mailing address is 8683 SE Water Oak Place, Tequesta, FL 33469 or such other places as the Members may designate. The Club also maintains a website: www.northpassageyachtclub.com.

4. MEMBERSHIP; SPONSORSHIPS.

4.1 MEMBER CLASSES. Any person over eighteen (18) years of age of good moral character and interested in boating and good fellowship may apply for membership on forms provided by the Club for such purpose. There shall be two types of members:

- a) **Resident Member.** Each owner of a home that is subject to the rules and regulations of the North Passage Home Owner's Association shall be eligible to participate in the Club as a Resident Member, subject only to their continued compliance with the terms of this Agreement and any Club Rules. The spouse of a Resident Member shall be deemed to be a member and shall have the same rights and privileges as the Resident Member. Resident Members' children, unmarried, under twenty-five (25) years of age and still living at home, shall have the same rights and privileges as their Resident Member parents.
- b) **Non-Resident Member.** Any individual, who is not eligible for membership as a Resident Member, may apply for membership as a Non-Resident Member with the endorsement

of at least two other members of the Club. Such application/applicant, accompanied by the necessary Dues, shall be subject to review and approval by the Board of Directors, which may, in its sole discretion, deny membership to any applicant and limit the number of Non-Resident Members of the Club.

4.2 CERTAIN MEMBER RIGHTS AND OBLIGATIONS. All Members shall enjoy all the rights and privileges of the Club, be entitled to vote at all meetings, participate on all Committees, and participate in all Club activities. Conversely, each year, every Member of the Club is required to attend at least half of the regular meetings and provide at least five (5) hours of service participating in at least one Committee ("Minimum Annual Participation"). It shall be the obligation of all Members to adhere to the terms of this Agreement (and any Club Rules as set forth by the Board of Directors), and to stay current with all Dues or other fees.

4.3 NO LIABILITY. The liability of each Member and/or Officer for the debts and other obligations of the Club shall be limited as set forth herein and by applicable law. That is, a Member, Officer or other agent of the Club is not liable for the debts, obligations and liabilities of the Club simply because of that relationship with the Club.

4.4 POLICYMAKING. The Members shall not participate in the day-today management of the Club but may participate in the setting of general policies regarding operation of the Club, as the Board of Directors may request from time to time.

4.5 NO COMPENSATION. The Club shall not pay any Member for any services rendered to the Club in their capacity as a Director, an Officer, or general Member of the Club. Out of pocket expenses shall be reimbursed to Members so long as such expenses are shown to have been necessary for the promotion of the purposes of the Club and this Agreement.

4.6 TERMINATION OF MEMBERSHIP. Membership in the Club of any Member shall be terminated by death, by voluntary withdrawal or by expulsion by the Board of Directors and, thereafter, all rights and privileges of the member in the Club shall cease. Upon the death of a Member, the Member's surviving spouse shall continue his or her membership subject to the rules and obligations and with the rights and privileges as set forth in this Agreement and any Club Rules.

4.7 CLUB SPONSORS. Any business or other organization may apply to be a Sponsor of the Club. The manner in which Sponsors may participate in Club activities shall be determined in the sole discretion of the Board of Directors.

5. TERM; DISSOLUTION. The Club shall continue for a perpetual period, until and unless a) dissolved by the Members or by applicable law, or b) the occurrence of any event that makes it unlawful for the Members to continue operating the Club. Dissolution of the Club by the Members is subject to a vote by two-thirds (2/3) majority vote of the members. In the event of

dissolution of the Club, the net proceeds of the Club shall be divided as the Board of Directors shall direct.

6. OFFICERS OF THE CLUB. The Officers of the Club shall be a Commodore, a Vice Commodore, a Rear Commodore, three Fleet Captains, a Liaison Officer and a Secretary & Treasurer. Each Officer shall be a resident of a property governed by the North Passage HOA. Each Officer shall serve for a two year term, with the initial Commodore serving a three year term so that there will be at least one Officer bridging the election of new Officers. Officers shall be elected at the Annual Meeting each year. Voting shall be by ballot and require a majority vote of the Members present and voting. The Board of Directors is authorized to fill any Officer vacancies, and the replacement shall serve for the remainder such Officer's term. Alternatively, the Board of Directors may call for an election at a special meeting to elect such Officer, in accordance with the provisions contained herein. The duties of the Officers shall be those incident to such offices, consistent with the following:

- a) **Commodore.** The Commodore shall oversee all aspects of the club's operations, including the planning and execution of all of the Club's cruising/land events and activities, participating in each of the Clubs committees, and presiding over all Club meetings.
- b) **Vice Commodore.** The Vice Commodore shall be an assistant to the Commodore, having the same duties as duties as the Commodore in the Commodore's absence. In addition, the Vice Commodore shall provide guidance on Club protocols, oversee all water-based activities and sit on all appropriate committees, and the duties of the Fleet Captains in regard to long-range cruising/land events and fleet readiness.
- c) **Rear Commodore.** The Rear Commodore shall be an assistant to the Vice Commodore, having the same duties as the Vice Commodore in the Vice Commodore's absence. In addition, the Rear Commodore shall oversee all land-based activities and sit on all appropriate committees, and oversee the duties of the Fleet Captains in regard to short-range cruising/land events.
- d) **Secretary & Treasurer.** The Secretary & Treasurer shall be responsible for accurately maintaining the Club's records, finances and bank account(s). This responsibility shall specifically include providing a report on the financial state of the Club when called upon by the Board, issuing checks under \$50.00 as needed to carry out the direction of the Board, issuing checks over \$50.00 only with authorization of the Commodore, issuing checks over \$100.00 to vendors only after soliciting a minimum of two bids and selecting the lowest of the bids, except where otherwise authorized by the Board.
- e) **Liaison Officer.** The Liaison Officer shall be responsible for ensuring good communication and cooperation among the Members, the Officers, and the Board of Directors.

- f) **Fleet Captains.** There shall be three Fleet Captains, with the following duties:
- i. **Long Range Events.** One Fleet Captain shall be responsible for planning and execution of the club's long distance cruising/land schedules and shall work under the direction and assistance of the Vice Commodore. This Fleet Captain shall own a vessel capable of completing all long-range cruise events in the allotted time.
 - ii. **Short Range Events.** One Fleet Captain shall be responsible for short distance cruise/land schedule and shall work under the direction and assistance of the Rear Commodore. This Fleet Captain shall own a vessel capable of completing all short-range cruise events in the allotted time.
 - iii. **Fleet Readiness.** One Fleet Captain shall be responsible for maintaining the Club's fleet readiness and shall work under the direction and assistance of the Commodore. This Fleet Captain shall own a vessel capable of completing all cruising events in the allotted time to provide assistance when necessary.

7. BOARD OF DIRECTORS. The Board of Directors shall consist of the following Officers of the Club: Commodore, Vice Commodore, Rear Commodore, Secretary & Treasurer, and Liaison Officer. The Board of Directors shall have charge of the property of the Club and shall be the general business agent of the Club. The Board of Directors shall hold meetings on the call of the Commodore, as Chairman of the Board. A majority of the Board of Directors shall constitute a quorum for the transaction of business.

8. CLUB RULES; PENALTIES.

8.1 CREATION. The Board of Directors shall have authority to create rules to govern the conduct of the membership and any guests at all meetings and events convened or sponsored by the Club ("Club Rules). In the absence of any pertinent Club Rule, Robert's Rules of order shall be the guide for the conduct of all meetings. In the event of a conflict between any Club Rules and the terms of this Agreement, this Agreement shall govern.

8.2 GUESTS. The Club's guest policy shall be governed by any Club Rules and consistent with the following: a) The Board of Directors may suspend guest privileges if, in its good faith judgment, this is necessary because an event is fully-subscribed or over-subscribed; b) Guests may attend business and social meetings, but may not be present during, or participate in, any election; c) the Club may, on an occasional basis, issue written invitations to similar clubs in surrounding communities to attend Club events.

8.3. GREETERS. The Club shall maintain a list of volunteer greeters/hosts to insure that participants at Club meetings and other activities are current Club Members and have valid membership cards with them.

8.4 VIOLATIONS. Upon written complaint that any Member of the Club has been convicted of a major offense of State or Federal laws, has conducted himself/herself in other than a civil and collegial manner with any other Members, has not achieved Minimum Annual Participation, or has otherwise violated the provisions hereof or the Club Rules, the Commodore shall notify the Member of the complaint, in writing, requesting the member to appear before a duly constituted meeting of the Board of Directors for a hearing. This notification shall be given at least one (1) week before said meeting by certified mail. After such hearing, or without a hearing if such member shall fail to appear as requested without acceptable excuse, the Board of Directors may terminate said Member from membership in the Club.

9. COMMITTEES. The Commodore shall appoint all committees, which in turn shall make progress reports at Regular Meetings. The following shall be the standing committees of the Club (or such other committees as the Board may create: Building Committee, Food/Beverage Committee, Bahamas Committee, Golf Committee, Sporting Events Committee, Cruises/Raft-Ups Committee, Fishing Tournament Committee, and Entertainment Committee.

10. MEETINGS.

10.1 ANNUAL MEETING. The Annual Meeting of the Club shall be held in January of each year. Notice of, and the agenda for, the Annual Meeting shall be received by each member at least (5) days before said meeting.

10.2 REGULAR MEETINGS. Regular Meetings of the Club shall be held every first Tuesday of each month, unless notified otherwise by the Board of Directors.

10.3 SPECIAL MEETINGS. Special Meetings may be held on the call of the Commodore or by written request to the Secretary & Treasurer of five (5) Members, provided written notice of the meeting and the purpose thereof is mailed to each Member at least one week prior to the meeting.

10.4 VOTING. A member at a duly constituted meeting of the Club may cast one vote on each matter brought up by the membership and presented by the Board of Directors.

11. ANNUAL DUES; OTHER ASSESSMENTS. A schedule for an annual fee to be paid by each Member to fund the activities of the Club ("Dues") shall be recommended by the Board of Directors, which schedule shall be presented to the members at the Annual Meeting. All

Dues shall be due and payable by the first Regular Meeting of each calendar year. Any Member who fails to pay his/her Dues by the third Regular Meeting shall be automatically terminated from membership in the Club. The Board of Directors shall retain the right to make additional assessments during the course of the year to address emergency or unexpected developments subject to such assessments being presented at either a Regular Meeting or Special Meeting of the members and approved by a majority vote of Members present and voting.

12. INDEMNIFICATION AND RELEASE.

12.1 INDEMNIFICATION BY CLUB. To the fullest extent permitted by law, the Club hereby indemnifies its Officers, Directors, volunteers and Members against any claim, liability, loss, or expense arising out of a) any act performed for or on behalf of the Club and in furtherance of its purposes; or b) inaction on the part of such persons that is not in violation of this Agreement. This indemnification does not extend to acts involving gross negligence, fraud, or willful misconduct.

12.2 MEMBER WAIVER AND RELEASE. To the full extent permitted by law, each Member hereby releases and forever discharges every other current or future Member, from and against any and all past, current or future claims, obligations, liabilities, damages, expenses (including attorney's fees), whether or not presently known, arising out of a) any act performed by such other Member for or on behalf of the Club and in furtherance of its purposes; or b) inaction on the part of such persons that is not in violation of this Agreement; and hereby waives all rights to bring any legal action based thereon. This release and waiver does not extend to acts involving gross negligence, fraud, or willful misconduct.

13. MISCELLANEOUS.

13.1. NOTICES. Notices required or allowed under this Agreement shall be deemed delivered three (3) days after being sent certified mail, return receipt requested; hand delivery; confirmed e-mail delivery; or upon confirmed fax transmission to the last fax number provided by the intended recipient.

13.2. CONTROLLING LAW. Florida law shall govern this Agreement.

13.3. LITIGATION. Any disputes arising under this Agreement that cannot be settled shall be submitted to the American Arbitration Association (AAA) for resolution. Costs, expenses, and attorney's fees shall be awarded according to AAA rules.

14. ADOPTION OF THIS AGREEMENT; AMENDMENTS.

14.1 INITIAL APPROVAL. The Board of Directors may adopt the above terms for membership in and operation of the North Passage Yacht Club, LLC ("Agreement") after this Agreement has been presented at a Regular Meeting of the Members.

14.2 AMENDMENTS. This Agreement may be amended by majority vote of the membership at a Regular Meeting of the members where prior notice of the amendment vote is given, or at a Special Meeting called for that purpose.

We, the Board of Directors, hereby certify that this Agreement was presented to the Club membership at a duly called and noticed meeting held on NOVEMBER 13, 2012, and thereafter has been adopted by us.



John Buckman, Commodore

11/25/12


Date



Henri Desplaines, Vice Commodore

11/25/12


Date



John Melson, Rear Commodore

11/20/2012

Date



Gail Nicolaisen, Secretary & Treasurer

11/20/12

Date



Mike Smith, Liaison Officer

11/19/12

Date