



Membership Application & Related Documents

Date: _____

Copy ____ of ____ issued to _____
(Please Print)

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Newburyport Yacht Club Sales Agent Disclosure

I hereby represent that I am acting as an agent on behalf of the "Seller," the Newburyport Yacht Club, and its Board of Directors.

John DiFilippo, Sales Agent

(Signature)

* * * * *

Acknowledgements

By affixing my/our signature(s) below, I/we hereby acknowledge:

- * That the Sales Agent named above has a fiduciary responsibility to and is representing the interests of the "Seller," the Newburyport Yacht Club, and its Board of Directors in every aspect of this prospective transaction.
- * That the Sales Agent will receive a commission in the form of a percentage of the purchase price in the event a Purchase and Sales Agreement is executed.
- * Receipt of two (2) copies of a bound set of documents (the Book), both copies of which are dated this _____ day, _____, 20_____.
- * My/our right to consult with legal counsel before executing any document within the Book.

I/we further understand:

- * That I/we am/are to return one properly executed copy of the Book to the Sales Agent and that, in the event I/we elect to execute the Beneficiary Designation, my/our signature(s) must be witnessed.
- * That no pages are to be removed from the copy of the Book I/we return to the Sales Agent, and that the second copy of the Book is to be retained for my/our records.

Date _____

Name _____
(Please Print)

Name _____
(Please Print)

(Signature)

(Signature)

Newburyport Yacht Club Prospective Member Data Form
(Please Print)

Date _____

Name _____

Occupation _____

Employer _____

Please summarize your prior boating experience and Yacht Club affiliations:

Please list the names of your immediate family members, and include the ages of your minor children, if any:

Please indicate any past involvement you have had with the Newburyport Yacht Club, and list the names of any current members you know, either socially or through business:

If accepted for membership, would you be willing to serve in a voluntary capacity, either or a committee or on an independent basis?

Yes: _____ Not at this time: _____

If Yes, please indicate your relevant skills/experience and area(s) of interest:

If you are currently serving or have served in the past on a Board of Directors, please indicate the name(s) of the organization(s) and your area(s) of responsibility:

Newburyport Yacht Club Membership Application
(Please Print)

Date _____

Name(s) _____

Street _____

City/State/Zip _____

Home Phone _____ Cell Phone _____

Email Address _____

Vessel Name _____

Length/Beam _____

Make/Model _____

Hull Color _____

Registration Number _____

I/we acknowledge that no representations or warranties of any kind have been or are made in any document with respect to the Newburyport Yacht Club (the Club) and its facilities, or to the rights, privileges and responsibilities pertaining to membership in the Club.

I/we acknowledge that no person has been authorized to make nor has made any such representation or warranties on behalf of the Club.

I/we hereby make application for membership in the Club in accordance with the terms and conditions of the Membership Agreement, which I/we have executed.

I/we have executed an Offer to Purchase a membership in the Club (the Offer), which is attached along with a check made payable to the Newburyport Yacht Club in the amount of \$ _____. (Minimum acceptable deposit is \$1,000.00).

I/we understand that if I/we am/are unable to satisfy the terms of the Offer, or if this application for membership is not approved, all monies paid by me/us will be returned to me/us forthwith.

Signature: _____

Signature: _____

Newburyport Yacht Club Membership Agreement (Adopted May 2007)

The Club

The Newburyport Yacht Club (“the Club”) is a not-for-profit corporation organized under Section 180 (c) of the Massachusetts General Laws. The purpose of the Club is to operate as a public recreational boating facility within the meaning of 310 C. M. R. 9.02 and as a social organization as defined by Section 501 (c)(7) of the Internal Revenue Code of 1986 as amended and is not nor will it be operated for any profitable purposes.

The Club and its facilities are located at 300R Merrimac Street, Newburyport, Massachusetts.

The Club leases the first floor of the Clubhouse, the pool, and designated parking areas pursuant to a leasing agreement with the Marine Conservation Trust, which expires in the year 2100. The Club is in the process of acquiring the docks and related marina operating assets from Deepwater, Inc. (“Deepwater”) under an installment plan of acquisition.

Club Facilities & Boat Slips

In making use of the Club facilities and slips, members must agree to abide by all provisions set forth in Chapter 91 license numbers 2462 and 7762 and in any license or licenses as may be issued in the future by the Commonwealth of Massachusetts or the Federal Government.

Members have exclusive rights to use the slip space referenced on their Membership Agreement. Members are further entitled to winter land storage for their boat and one annual launch and haul and the right to use certain “Club facilities.” These facilities include the boat slips and dockage subscribed for by Club members, the pool, and the first floor of the Club House. Members also have the right to park one vehicle in the areas designated for members’ use.

“Club facilities” do not include any slips owned by Deepwater or the second floor of the Club House, the Rack Building, the Maintenance Building, or the Bait Shop. Nor do “Club Facilities” include any parking areas not designated for use by Club members.

Deepwater reserves the right to use these slips, buildings, and parking areas and to grant such right to others, to change the use thereof and to license, lease, subdivide or sell such property not included under the current lease agreement.

“Club facilities” also do not include seven (7) boat slips, which are being leased by Deepwater to certain individuals in accordance with terms and conditions set forth in 99-year leases. These leases predate the agreement between Deepwater and the Club and afford the lessees the right to use the Club facilities.

However, the lessees are not members of the Club and have no voting rights in the Club.

Membership Application & Membership Agreement

In accordance with the Club's Bylaws, membership in the Club is subject to such qualifications and conditions as the Board of Directors may from time to time determine, and all applications for membership are subject to review and approval by the Board of Directors.

An original and one copy of this properly executed Membership Agreement ("Agreement") must accompany the Membership Application.

When properly executed, this Agreement between the Club and the member shall be for successive terms of one (1) year each. The Agreement shall automatically renew on January 1st of each year unless the membership has been redeemed or the member has resigned or has been expelled from membership.

Renewal of this Agreement is further subject to the limitations and restrictions as are provided for in the Member Promissory Note and Pledge of Membership Interest, if these documents have been executed.

Initial Membership Contribution

Acceptance of an application for a new membership, i.e., a membership not previously held by a Club Member, is contingent upon payment to the Club of an "Initial Membership Contribution," the amount, terms and conditions of which shall be determined from time to time by Deepwater.

Subject to Deepwater's prior approval and to such terms and conditions as Deepwater may from time to time determine, a member may pledge his or her membership rights in the Club to Deepwater as a means of securing payment of the Initial Membership Contribution.

In such circumstances, Deepwater reserves the right to assign the pledge in order to secure the Club's obligations in connection with the acquisition of the Club's facilities

Membership Responsibilities & Limitations

Membership in the Club is limited to those who intend to exercise the rights and privileges of membership solely for their personal use.

Members do not receive any ownership interest or equity in the Club. Membership should not be viewed or acquired as an investment and members should not expect to derive economic benefit as the result of their membership in the Club.

Members must agree to comply with the Club Bylaws, its Rules and Regulations and such other policies as the Board of Directors may from time to time issue.

In order to exercise their membership rights, members must be in good standing. Among the requirements underlying this criterion is payment of all invoices issued by the Club in accordance with such terms and conditions as the Board of Directors may from time to time determine.

It is mutually understood that, by executing this Agreement, members agree to carry their own liability and comprehensive insurance. Members must submit a copy of their current insurance certificate with their annual dues payment.

Members may not sell, redeem, transfer, pledge or mortgage or attempt to sell, redeem, transfer, pledge or mortgage their membership without the express, prior written consent of the Board of Directors and as otherwise provided for in this Agreement. In the event of any such action or attempted action, the Board of Directors shall have the right to elicit a resignation from the member or to expel the member from the Club.

The Board of Directors shall further have the right to elicit a resignation from a member or to expel a member for conduct otherwise at variance with this Agreement or with Club policies or its Rules and Regulations or for conduct injurious to the interests of the Club or for conduct, which has a material adverse affect on the members' use and quiet enjoyment of the Club.

Member Leasing Rights & Restrictions

Members shall have the right to lease or to grant use of their slip or winter land storage to other parties and to permit said parties to exercise their rights and privileges, excepting the right to attend meetings of the membership and the right to vote. Members leasing or granting use of their slip may not make use of any of the Club facilities during the leasing or granting period.

Requests to lease or grant use of a slip must be made in writing on a form provided by the Board of Directors. Said requests are subject to such terms and conditions as the Board may from time to time determine.

Members shall also have the right to determine the leasing or usage fee for their slip or winter land storage. Regardless of the amount of the fee set by the member, however, the Club shall be entitled to receive an amount equal to a reasonable percentage of the then published leasing rates for slips and winter land storage.

The Board of Directors shall determine said percentage from time to time.

Once completed, the form provided by the Board of Directors must be placed on file with the Club and all payments associated with arrangements for the leasing or right to use a member's slip or winter land storage must be made directly to the Club.

Membership Resignations & Expulsions

Members intending to submit their resignation from the Club ("Class I") and members tendering their resignation from the Club at the request of the Board of Directors ("Class II") must so advise the Board in writing on a form provided by the Board of Directors. In each instance, members shall have the right to establish the price at which their membership is offered for redemption.

Class I Resignations

The member shall retain all rights and privileges of membership and shall remain liable for all dues, fees, assessments and other Club charges accrued through the date upon which the membership either is redeemed or is retired at the option of the Board of Directors.

Regardless of when the membership is redeemed or retired, the member shall not be entitled to any prorated portion of his or her annual dues, fees, assessments or any other such prior obligations, which have been discharged.

At such time as the membership is redeemed, the Club shall have the right to deduct from the redemption price an amount equal to any outstanding indebtedness to the Club. The Club shall also be entitled to retain a reasonable percentage of the redemption price in accordance with a schedule to be determined from time to time by the Board of Directors.

Class II Resignations

Members resigning at the request of the Board of Directors shall be denied use of the Club facilities and of their slip and shall forfeit all membership rights and privileges as of the effective date of the resignation.

Such former members shall remain liable to the Club for any outstanding indebtedness accrued through the effective date of the resignation and shall not be entitled to any prorated portion of their dues, fees, assessments or any other prior obligations, which have been discharged. Until such time as the membership is redeemed, the Club shall have the right to lease the former member's slip and winter land storage and to retain the proceeds.

At such time as the membership is redeemed, the Club shall have the right to deduct from the redemption price an amount equal to any outstanding indebtedness to the Club as of the effective date of the resignation. The Club shall also be entitled to retain a reasonable percentage of the redemption price in accordance with a schedule to be determined from time to time by the Board of Directors.

Expulsions

Members who have been expelled from the Club shall be denied use of the Club facilities, including use of their slip, and shall forfeit all membership rights and privileges as of the effective date of the expulsion. Members who have been expelled from the Club shall also forfeit the right to determine the price at which their memberships are offered for redemption.

Members who have been expelled from the Club shall remain liable to the Club for any outstanding indebtedness accrued through the date of their expulsion and shall not be entitled to any prorated portion of their annual dues, fees, assessments or any such other prior obligations, which have been discharged.

At such time as the membership is redeemed, the Club shall have the right to deduct from the redemption price an amount equal to any outstanding indebtedness to the Club as of the effective date of the expulsion. The Club shall also be entitled to retain a reasonable percentage of the redemption price in accordance with a schedule to be determined from time to time by the Board of Directors.

Members who have been expelled from the Club shall further be obligated to pay and the Club shall be entitled to reimbursement for all costs associated with any legal actions the Club may elect to pursue in the service of protecting its interests and those of its members.

Member Promissory Note & Pledge of Membership Interest

No reference in this Agreement to the discharge of obligations or to the forfeiture of rights shall be construed as providing any relief of any obligations, which relate to the Member Promissory Note or to the Pledge of Membership Interest, if either or both of these documents have been executed by a member or former member and remain in force.

Membership Redemptions

Once the Board of Directors consents to a proposed resignation, elicits a voluntary resignation or expels a member, the membership will be placed on the "Memberships Pending Redemption" list. This list comprises the location and dimensions of all slips associated with a membership, which have become available for purchase.

The membership will first be offered to Club members for a period of 30 days from the date it is placed on the "Memberships Pending Redemption" list, after which the membership will be offered to the public at large.

Membership redemptions are unconditionally subject to the market demands for memberships in the Club. Consequently, the Board of Directors cannot and does not make any representations as to either the timing of the membership redemption or to the price at which the membership is redeemed.

Membership Transfers Upon Death

Members are entitled to bequeath their membership rights in the Club and a document for that purpose will be provided by the Club and maintained on file. In the event the beneficiary of said rights wishes to assume said rights, the beneficiary must so advise the Board of Directors in writing and on the form provided for that purpose.

In the event the beneficiary relinquishes his or her rights to assume the membership or no beneficiary is designated or no beneficiary rights have been established within three (3) years from the date of the member's death, the Club will arrange for the redemption of the membership.

Upon redemption of the membership, the Club will deduct from the proceeds any outstanding indebtedness to the Club, any legal fees associated with the redemption and a percentage of the redemption price in accordance with a schedule to be determined from time to time by the Board of Directors. The balance of the proceeds will be remitted to the member's estate.

The Marine Conservation Trust, Deepwater Inc. & The Newburyport Yacht Club

The Marine Conservation Trust currently owns the land and improvements upon which the Club facilities are located. The Club owns the slips, which have been assigned to Club members, the dockage associated with those slips and certain other operating assets. Deepwater owns the slips, which have not been assigned to Club members and the dockage associated with those slips.

In 2001, the Marine Conservation Trust leased the real property improvements as well as certain facilities to the Club pursuant to a 99-year lease ("the Club lease," "the lease") for an annual rental fee of one dollar (\$1.00). The lease is a so-called "triple net" lease, pursuant to which the Club is obligated to pay all real estate taxes, utilities, insurance and other costs, expenses and charges related to the use, occupation and ownership of the land and related improvements. The Club is further obligated to maintain all Club facilities in good clean order, repair and condition.

Deepwater is selling the docks and certain other marina assets to the Club under an installment sale plan of acquisition as applications for new memberships are approved. At the time the Club entered into the leasing agreement, based on the then prevailing per linear foot price of the slips, the total purchase price for the marina assets was \$6,426,000. If the purchase price is increased during the term of the installment sale plan, the Initial Membership Contributions due and payable to the Club upon the initial sale of a membership will be adjusted accordingly.

The Club is discharging the purchase price in the form of a promissory note, which is secured by a security interest in the marina assets and the assignment of the promissory notes and membership pledge agreements securing the payment of the Initial Membership Contributions by Club members. Deepwater has the right to enforce the pledge agreements against any individual purchasing an initial membership who fails to pay the Initial Membership Contribution to the Club. Such failure may result in the complete loss and forfeiture of the member's membership interest and the rights and privileges of membership and all sums previously paid by said member.

The Lease, the Installment Sale Agreement, the Club Promissory Note, the Assignment of Promissory Note and Pledge Agreement and all other ancillary agreements are referred to herein as the "underlying documents."

Membership Agreement Release

The undersigned hereby acknowledges and agrees that he/she/ they:

1. Has/have carefully reviewed and agrees to abide by this Membership Agreement and all underlying documents, including but not limited to the Club Bylaws, its Rules & Regulations and any other policies promulgated by the Club’s Board of Directors and has had the opportunity to inspect the Club’s facilities, and to consult with legal counsel before signing this Agreement and any other membership documents;

2. Has/have not relied upon any representation or warranty, express or implied, regarding the terms, conditions, rights or obligations of membership or the conditions of the Club facilities or otherwise;

3. Has/have not relied on any agreements or understandings regarding the Club or membership therein except as expressly set forth in the membership documents;

4. Hereby release and forever discharge and covenant not to sue Marina Conservation Trust, its trustees and beneficiaries, Deepwater, Inc. d/b/a Boatworks Marina, its directors, officers, shareholders and employees or the Club for any matter or thing arising out of or resulting from the formation of the Club, the offering or refusal to offer or grant any membership, any terms, conditions, rights or obligations of membership or any other matter or thing related to the Club.

Date _____

Name _____ Name _____

Signature _____ Signature _____

When dated and countersigned below, this document will take effect as an Agreement between the Newburyport Yacht Club and the individual(s) named herein, and will affirm that the Agreement meets with the approval of the Club’s Board of Directors.

For the Newburyport Yacht Club

Date _____

Name & Title: _____

Signature: _____

Slip Assignment: _____

Newburyport Yacht Club Beneficiary Designation

KNOW ALL MEN BY THESE PRESENTS that upon my death I,

_____,
(Print Full Name)

do hereby give and bequeath my membership rights in the Newburyport Yacht Club to

_____, _____
(Print Full Name) *(Relationship to Member)*

In the event the above named beneficiary is unwilling or unable to assume my membership rights, I do hereby name as my alternate beneficiary

_____, _____
(Print Full Name) *(Relationship to Member)*

IN WITNESS WHEREOF I do hereby declare that I willingly sign and execute this instrument in the presence of each said witness and that I execute it as my free and voluntary act for the purposes herein expressed on this _____ day of _____, 2____.

(Witness Printed Name)

(Witness Signature)

(Witness Printed Name)

(Witness Signature)

Newburyport Yacht Club Financial Policies

All invoices, including but not limited to invoices for dues, fees, assessments, and fines are due and payable upon receipt.

Invoices not paid within 30 days of the invoice date will be considered delinquent and members will incur a \$50.00 late charge, excepting in the case of invoices for assessments on which the late charge will be the greater of \$50.00 or 10% of the amount due. In addition to late charges, invoices not paid within 30 days of the invoice date will accrue interest charges at the rate of 1 1/2% per month.

Members with obligations outstanding in an amount of \$50.00 or more and which are more than 60 days past due will lose their status as "Members in Good Standing." (In order to exercise their membership rights, members must be in good standing and, in such instances, the Board of Directors reserves the right to limit or suspend those rights.)

When an outstanding indebtedness is subject to a late fee, the Club may apply any moneys it collects on behalf of the member to pay all amounts owed the Club whether or not said amounts are current. Moneys so collected will be applied in the following order: late charges, interest penalties, principal.

The Board of Directors reserves the right to require members who are consistently delinquent to provide the Treasurer with an imprint of their MasterCard or Visa card and to authorize the Treasurer to process charges against that card for past due amounts as well as the late charges and interest penalties related thereto.

If a member is consistently delinquent, the Board of Directors further reserves the right to restrict services, to post the member's name on the Club website and in the Club House and to pursue at the expense of the member appropriate legal action to collect outstanding obligations.

Requests for waiver of late charges or interest charges or fees of any kind must be submitted in writing to the Treasurer and must state in appropriate detail the justification for the request. Such requests may be submitted only after the indebtedness in question has been paid in full. Subsequent to the Treasurer's review of the request, the Treasurer will make a recommendation to the Board of Directors and the action of the Board will be final.

NEWBURYPORT YACHT CLUB BYLAWS

(Adopted September 16, 2006/Amended September 20, 2008)

ARTICLE I

Name and Location

The name of the corporation is Newburyport Yacht Club, Inc. (hereinafter referred to as “the Club”). The principal office of the Club shall be located in the City of Newburyport, County of Essex, Commonwealth of Massachusetts.

The Board of Directors may, at its discretion, establish and maintain offices in ancillary locations.

ARTICLE II

Purposes

The purposes of the Club as set forth in the Articles of Organization are to support recreational boating activities among its members and to encourage and facilitate the interaction of its members through social events, educational programs and other activities related to boating.

ARTICLE III

Powers of the Club

Section 1. The Club, its Officers and Directors and all matters concerning the conduct and regulation of the Club’s business shall be subject to the provisions as set forth in the Club’s Articles of Organization as adopted and filed with the Secretary of the Commonwealth of Massachusetts pursuant to Chapter 180 of the Massachusetts General Laws.

Section 2. The Club may adopt and use a common seal.

ARTICLE IV

Membership

Section 1. Numbers and Categories. Membership in the Club shall be limited to such numbers and categories and shall be subject to such qualifications and conditions as the Board of Directors may from time to time determine.

No applicant for membership in the Club shall be denied on the basis of race, religion, creed, color, marital status, sexual orientation or country of national origin.

Section 2. Membership Agreement. As a condition of acceptance to membership in the Club, applicants shall execute a Membership Agreement, the form and content of which the Board of Directors may from time to time determine.

Upon acceptance to membership in the Club, individuals shall be entitled to exercise such rights and privileges and shall be subject to such terms and conditions as then set forth in the duly executed Membership Agreement appended to their Membership Application.

The Board of Directors may from time to time request a member or members to execute a new Membership Agreement but no member or members shall be obligated to do so.

Section 3. Resignation. Resignations from membership in the Club must be in the form of a written notice addressed to the Club Secretary and, in all other respects, in conformance with the terms and conditions set forth in the Membership Agreement. Until such time as the resignation is accepted, members shall remain liable for annual dues and any other outstanding indebtedness to the Club. No resignation will be accepted until all such outstanding indebtedness has been discharged.

Section 4. Disciplinary Actions. If any member is charged in writing by the Board of Directors or by any other member with conduct at variance with the Club's Membership Agreement, its policies or its Rules and Regulations or with conduct injurious to the interests of the Club or with conduct, which has a material adverse affect on the members' use and quiet enjoyment of the Club, the Board shall instruct the Secretary to send written notice of the charge or charges to the member.

The Board of Directors shall afford the member the opportunity to appear before it to address the charges. If the Board is satisfied of the truth of the charge or charges, it may issue a warning to the member, levy a fine against the member or solicit a resignation from the member.

In the event the Board of Directors votes to solicit a resignation from the member and the member declines to resign, the Board may proceed to expel the member from the Club. In the event the Board votes to expel a member, his or her membership rights, interests and obligations shall remain subject to the "Membership Redemption" provisions as then set forth in the Membership Agreement duly executed by the member.

The Secretary shall send written notice of the action taken by the Board within three days of said action. The notice shall be sent to the member's address of record via "Certified Mail, Return Receipt Requested."

The action of the Board shall be subject to review by the membership at a special meeting of the Club if a written request for said review is delivered to the Secretary within ten days of the date of the notice advising the member of the action taken by the Board.

In accordance with Article XII, Section 2 of the Bylaws, the request for a special meeting must be signed by at least twenty members, each of whom must be entitled to vote. A vote of three fourths of the members present and entitled to vote at the special meeting shall be required to overturn the action of the Board.

ARTICLE V

Fees, Dues and Assessments

Section 1. Fees and Dues. The Board of Directors shall from time to time establish and promulgate a schedule of fees and dues, which shall fund the expenses of operating the Club, including maintaining, repairing, replacing and insuring the Club facilities.

Section 2. Assessments. The Board of Directors may levy assessments on the members of the Club and determine the terms and conditions pertaining to payment of same.

ARTICLE VI

Flag Officers and Their Powers and Duties

Section 1. Flag Officers. The Flag Officers (“the Officers”) of the Club shall be members in good standing and shall comprise a Commodore, Vice Commodore, Rear Commodore, Secretary and Treasurer.

Section 2. Commodore. The Commodore shall preside over all meetings of the Club and the Board of Directors and shall have the powers and shall perform the duties customarily incident to that office. The Commodore shall appoint such committees as may be necessary to conduct the business of the Club. All such appointments shall be subject to the advice and consent of the Board of Directors.

The Commodore shall sign on behalf of the Club all deeds and formal instruments and shall perform such other duties as may from time to time be determined by the Board of Directors.

Section 3. Vice Commodore. The Vice Commodore shall assist the Commodore and shall have all the powers and shall perform all the duties of the Commodore in the absence of the Commodore or during the Commodore’s inability to act.

Section 4. Rear Commodore. The Rear Commodore shall assist the Vice Commodore and shall have all the powers and shall perform all the duties of the Commodore and Vice Commodore in their absence or during their inability to act.

Section 5. Secretary. The Secretary shall have charge of and responsibility for all Club documents and records, which shall be kept at a place designated by the Board of Directors. The Secretary shall be responsible for the Club's correspondence and for ensuring that the minutes of all meetings of the Board of Directors and of the membership are properly recorded and approved. The Secretary shall further be responsible for ensuring that a current listing of the names and addresses of Club Officers, Directors and members is properly maintained.

The Secretary shall be exempt from the payment of annual dues. The amount of said exemption shall be equal to and not greater than the dues obligation established for individuals holding a single membership interest in the Club.

Section 6. Treasurer. The Treasurer shall have charge of and responsibility for all Club financial documents and records, which shall be kept at a place designated by the Board of Directors. The Treasurer shall have charge of and responsibility for payment and collection of all accounts and for full and accurate accounting and recording of all receipts and disbursements.

The Treasurer shall present a financial statement setting forth the condition of the Club following the fiscal year of the Club and shall provide such other accounting and financial information as may be requested by the Board of Directors from time to time.

The Treasurer may be bonded for such sums as the Board of Directors may determine and the Club shall bear the cost of such bond.

The Treasurer shall be exempt from the payment of annual dues. The amount of said exemption shall be equal to and not greater than the dues obligation established for individuals holding a single membership interest in the Club.

ARTICLE VII

Board of Directors and Its Powers and Duties

Section 1. Board of Directors. The Board of Directors of the Club shall comprise the five Flag Officers and at least two other members. Those members of the Board of Directors who are not serving as Flag Officers shall hold the title of Director. All members of the Board of Directors must be in good standing.

Section 2. Powers. All powers of the Club shall be vested in the Board of Directors. Subject only to the provisions of these Bylaws and to any vote of the members at a meeting of the Club, the Board shall determine and execute the policies of the Club, control all of the Club's property and funds and manage all of the Club's business affairs. The Board shall make and promulgate rules and regulations for the government of the Club and its members.

The Board of Directors shall have the authority to take any action it deems necessary in addressing the Club's legal obligations, to issue the Club's promissory notes and other evidences of indebtedness and to mortgage assets or any part of the Club's property.

Section 3. Resignation. Any Officer or Director may resign at any time by giving written notice of such resignation to the Secretary.

Section 4. Vacancy. In the event a vacancy occurs on the Board of Directors, the Board may, at its discretion, take action to fill the vacancy until the next annual election of Officers and Directors.

Section 5. Committees. The Board of Directors may organize from among its own members an Executive Committee, which shall have the authority to act for the Board in all matters the Board authorizes excepting the sale or mortgaging of corporate assets.

Section 6. Enlargement. In the event the Board of Directors determines that the interests of the Club will be served by enlarging its number, the Commodore shall so advise the Nominating Committee and the Nominating Committee shall prepare its slate of Directors accordingly.

ARTICLE VIII

Removal from Office

Any Officer or Director may be removed from office with or without cause by vote of a majority of the members of the Board of Directors then in office at any meeting thereof.

Any Officer or Director may be removed from office for cause by vote of a majority of Club members entitled to vote at any meeting thereof.

For the purposes hereof, "cause" shall constitute any violation of the Club's Membership Agreement as duly executed by the Officer or Director, or of its policies or its Rules and Regulations or such other actions, which have a material adverse affect on the safety of Club members or their use and quiet enjoyment of the Club facilities.

The Officer or Director shall be advised in writing of the proposed action and shall be afforded the opportunity to be heard by the body proposing said action.

ARTICLE IX

Nominations, Elections and Terms of Flag Officers and Directors

Section 1. Nominating Committee. At a meeting of the Board of Directors and not less than 60 days prior to the annual meeting of the Club, the Commodore shall appoint a committee to nominate Officers and Directors to be elected at the annual meeting. In accordance with Article VI, Section 2 of the Bylaws, said appointment shall be subject to the advice and consent of the Board of Directors.

The Nominating Committee shall comprise no fewer than three members, none of whom shall be members of the Board of Directors. The Secretary shall post at the Club House the names of the committee members so appointed not less than 30 days prior to the annual meeting.

Members of the Nominating Committee shall not be eligible for nomination to any office.

The Chairman of the Nominating Committee shall post at the Club House the names of the persons nominated to serve as Officers and Directors and their terms of office not less than 14 days prior to the annual meeting. The Secretary shall be responsible for ensuring adherence to this Bylaw provision.

Section 2. Alternative Nominations. Any 20 or more members entitled to vote may make nominations for Officers and Directors. Said nomination(s) must be in writing, signed by each member making the nomination(s) and delivered to the Secretary not less than ten days prior to the annual meeting. The Secretary shall post the alternative slate at the Club House not less than seven days prior to the annual meeting.

No member shall be a candidate for election to office at the annual meeting unless nominated in accordance with the provisions set forth in Article IX, Sections 1 or 2 of these Bylaws.

Section 3. Elections. The Officers and Directors shall be elected at the annual meeting by a majority of the members present and entitled to vote. Officers and Directors shall be elected for terms of one year.

Section 4. Term Limits. No member shall hold the office of Commodore, Vice Commodore or Rear Commodore for more than two successive terms. No member shall hold the office of Director for more than three successive terms.

Officers and Directors shall hold office until their successors are duly elected or appointed in accordance with the Bylaw provisions pertaining to same.

ARTICLE X

Meetings of the Board of Directors

Section 1. Regular Meetings. Regular meetings shall be held in accordance with a schedule to be determined by the Board of Directors from time to time. No notice need be given of regular meetings held on days and at times so fixed.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be called upon request of the Commodore or upon request of any two members of the Board. Each member of the Board must be given reasonable notice of all such special meetings.

Section 3. Quorum. A majority of the members of the Board of Directors then in office shall constitute a quorum for the transaction of business.

Section 4. Voting. A majority vote among those Officers and Directors present and voting shall be sufficient to the resolution of any question brought before the meeting unless the Bylaws require a greater number.

Section 5. Action Without a Meeting. Subject only to the written consent of a majority of Directors then in office, the Board of Directors may take action without a meeting. A majority vote among the Directors then in office shall be sufficient to the resolution of any question brought before the Board.

A written record of any action so taken shall be filed with the minutes of the meetings of the Board of Directors and such action shall be considered for all purposes as a vote of the Directors at a meeting.

The Secretary shall have responsibility for ensuring that said action is in conformance with this Bylaw provision.

ARTICLE XI

Membership Voting Rights

Each properly executed Membership Agreement shall represent the right to cast one vote and one vote only at a meeting of the Club. In the event a Membership Agreement has been executed by two or more signatories, said signatories shall designate one from their number to exercise said voting rights and the member so designated shall notify the Secretary in advance of the meeting of said designation.

In order to exercise a right to vote, all signatories to a Membership Agreement must be members in good standing.

There shall be no voting by proxy.

ARTICLE XII

Meetings of the Membership

Section 1. Annual Meeting. The annual meeting of the Club shall be held in the month of September on a day and at a time to be determined by the Board of Directors. The Secretary shall send written notice of the day, time and location of the annual meeting to all members at least ten days prior to the meeting.

Section 2. Special Meetings. Special meetings of the Club may be called upon request of the Commodore or of a majority of the Board of Directors. Special meetings of the Club shall be called by the Secretary upon receipt of written application of twenty or more members entitled to vote stating the purpose or purposes for requesting said meeting.

The Secretary shall send separate notices of special meetings of the Club to all members at least ten days in advance thereof and shall specify the business to be acted upon. No business other than that so specified or business incident thereto shall be transacted at such meetings.

Section 3. Quorum. Forty members entitled to vote shall constitute a quorum at all meetings of the Club. In the event a quorum is not present, a meeting may be adjourned until such time as the Secretary declares a quorum. At such time as a quorum is declared, any business may be transacted, which might have been transacted at the meeting as originally called.

Section 4. Action at Meeting. A majority vote among those present and entitled to vote shall be sufficient to the resolution of any question brought before the meeting unless the Bylaws require a greater number. No matters shall be subject to a written ballot unless such a vote is called for by the presiding officer or by a majority of those present and entitled to vote.

Section 5. Location. All meetings shall be held at the principal office of the Club unless an alternative location within Essex County, Commonwealth of Massachusetts is specified in the notice of the meeting.

ARTICLE XIII

Bylaw Amendments

Section 1. Amendments. These Bylaws may be amended by a two thirds vote of the members present and eligible to vote at any meeting of the Club, provided it is stated in the notice calling the meeting that an amendment is to be placed before the members for adoption.

ARTICLE XIV

Inspection of Records

Books, accounts, documents and records of the Club shall be open to inspection by any Officer or Director during usual hours of business.

The original, or attested copies, of the Articles of Organization, Bylaws and records of all meetings of the incorporators, the Board of Directors and the membership as well as the names of all members and their record addresses, shall be kept at the principal office of the Club or at an office of the Secretary or resident agent, if any, of the Club.

Said copies and records also shall be available during usual hours of business for inspection by any member for any proper purpose but not to secure a list of members or other information for the purpose of selling said list or information or copies thereof or of using the same for purpose other than in the interest of the applicant, as a member, relative to the affairs of the Club.

ARTICLE XV

Checks, Notes, Drafts and Other Instruments

Checks, notes, drafts and other instruments for the payment of money drawn or endorsed in the name of the Club may be signed by any person or persons so authorized by the Board of Directors and subject to such stipulations as the Board may from time to time determine.

ARTICLE XVI

Conflict of Interest, Good Faith Responsibility

Section 1. Conflict of Interest. All Officers, Directors, agents and employees shall adhere to such policies on conflicts of interest as may be adopted from time to time by the Board of Directors.

Section 2. Good Faith Responsibility. Every Officer and Director of the Club shall exercise and discharge the powers and duties of his or her office in good faith with that degree of diligence, care and skill that a prudent person in any like position would ordinarily apply in similar circumstances.

In so acting, every such Officer and Director may rely on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by (a) one or more Officers or Directors or employees of the Club whom the Officer or Director reasonably believes to be reliable and competent in the matters presented, (b) counsel, public accountants or other persons as to matters the Officer or Director reasonably believes to be within such person's professional or expert competence, or (c) a committee duly designated in accordance these Bylaws, as to matters within its designated authority, which committee the Officer or Director reasonably believes to merit confidence. However, he or she shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that causes such reliance to be unwarranted.

ARTICLE XVII

Personal Liability, Liability Insurance

Section 1. Personal Liability. The Officers and Directors of the Club shall not be personally liable for any debt or obligation of the Club. Persons or entities extending credit to, contracting with, or having any claim against the Club may look only to the funds and property of the Club for the payment of any such contract or claim, or for the payment of any debt, damages, judgment or decree, or for any money that may otherwise become due or payable to them from the Club.

Section 2. Liability Insurance. The Club shall have power to purchase and maintain insurance on behalf of any person who is or was an Officer, Director, employee or other agent of the Club or who is or was serving at the request of the Club as an Officer, Director, employee or agent of another organization in which it has an interest, against any liability incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Club would have the power to indemnify him or her against such liability.

ARTICLE XVIII

Indemnification

The Club shall indemnify and hold harmless each person who heretofore has served, is currently serving or hereafter serves:

(a) as an Officer, Director, agent or employee of the Club; or (b) at the request of the Club, as an Officer or Director of another organization from and against any and all claims and liabilities to which such person may be or become subject to by reason of such service (including, without limitation, by reason of such person's alleged acts or omissions in the course of such service), and shall indemnify and reimburse each such person against and for any and all legal and other expenses reasonably incurred by such person in connection with any such claims and liabilities, actual or threatened, whether or not at or prior to the time when so indemnified, held harmless and reimbursed, such person has ceased to serve in such capacity, except with respect to any matter as to which such person shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interest of the Club.

Provided, however, that prior to such final adjudication, the Club may compromise and settle any such claims and liabilities and pay such expenses, if such settlement or payment or both appears, in the judgment of a majority of those members of the Board of Directors who are not involved in such matters, to be in the best interest of the Club as evidenced by a resolution to that effect adopted after receipt by the Club of a written opinion of counsel for the Club, that, based on the facts available to such counsel, such person has not been guilty of acting in a manner that would prohibit indemnification.

Such indemnification may include payment by the Club of expenses incurred in defending a civil or criminal action or proceeding in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the person indemnified to repay such payment if he or she shall be adjudicated to be not entitled to indemnification under this Article XVI of the Bylaws, which undertaking may be accepted without reference to the financial ability of such person to make repayment.

The right of indemnification herein provided shall be in addition to and not exclusive of any other rights to which any such person may otherwise be lawfully entitled. As used in this Article XVIII of the Bylaws, all references to persons who are to be indemnified shall include their respective heirs, executors and administrators.

ARTICLE XIX

Dissolution

The Club may be dissolved by a majority vote of the members of the Club entitled to vote in the manner provided by the Articles of Organization and Chapter 180 of the Massachusetts General Laws.

Yacht Club Lease

Member Promissory Note

Pledge of Membership Interest

Bill of Sale

Installment Sales Agreement

Installment Sales Note

Master Allonge Schedule
Member Promissory Notes