

WACCAMAW SAILING CLUB, INC.

BYLAWS

(incorporates all amendments
through November 10, 2001)

Article I *Offices*

- Section 1. Principal Office. The principal office of the Corporation (hereinafter referred to as Corporation or Club) shall be located on Canal Cove Road, Lake Waccamaw, NC or at such other location designated by the Board of Directors.
- Section 2. Registered Office. The registered office of the Club required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.
- Section 3. Other Offices. The Club may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may designate or as the affairs of the Club may require from time to time.

Article II *Membership and Stockholders*

- Section 1. Stockholders. Stockholders are persons who own stock in Waccamaw Sailing Club, Inc.. They are entitled to vote on all matters submitted for a vote of the stockholders and to attend the annual stockholders meeting. Only persons whose application for active membership in the Club has been approved by the Board of Directors shall be permitted to purchase stock of Waccamaw Sailing Club, Inc.. Stockholders shall be entitled to one vote per share owned. Stockholders are not entitled to the use of the facility unless they are active members of the Club.
- Section 2. Members. The club shall have three classes of members:
1. Active Members: Active members are stockholders of the Club who are in good standing. Good standing means that they are current in the payment of all dues, assessments and initiation fees.
 2. Inactive Members: Inactive members are stockholders of the Club who are not in good standing. Inactive members are not entitled to the use of the facilities of the Club.
 3. Summer Members: Summer members are members of the Club who are not stockholders of the Club. They are entitled to all of the rights of active membership but shall not be entitled to vote on any matter submitted to the stockholders. Summer membership is limited to one term of one year duration only. After one year, summer members who desire to continue to use the facility must become active members.
- Section 3. Qualifications and Number of Members. Membership shall be open to all persons interested in sailing or other water activities without regard to race, sex,

age, creed, color, religion, national origin or disability, subject to the following limitations:

1. Reasonable limits on the total membership established by the Board of Directors consistent with the capacity of the facilities operated or utilized by the Club.
2. At least 75% of the members shall be participating sailboat owners.

- Section 4. Election of Members. Members shall be elected by the Board of Directors after consideration of their application for membership. An affirmative vote of two-thirds of the directors shall be required for election. The Board of Director's shall adopt a membership application and establish criteria for membership not inconsistent with these bylaws.
- Section 5. Rights of Active and Summer Members and their Families: Each member, their spouse, and their children under the age of 21 years or any child who is a full-time student at least 5 months per year shall be entitled to participate in all Club activities and to the use of the facility(ies) maintained and operated by the Club in accordance with the Club's rules, regulations and policies.
- Section 6. Rights of Inactive Members. Neither inactive members or their family members shall be entitled to participate in Club activities. They shall, however, retain their rights as stockholders.
- Section 7. Each Active member must own at least one share of stock for each family unit.
- Section 8. Resignation. Any member desiring to resign from the Club shall be allowed to do so upon submission of a letter of resignation and payment of delinquent dues and assessments and return of stock certificate.
- Section 9. Reactivation of Membership. Inactive members may become active members by bringing their outstanding dues and assessments current and paying a reactivation fee as established by the governing body. From time to time, the Board may establish other criteria for reactivation of membership to encourage inactive members to become active which may include the waiver of some or all past due dues and assessments and the reactivation fee.

Article III

Meetings of Stockholders

- Section 1. Annual Meeting. An annual meeting of the stockholders shall be held on the second Saturday in the month of November in each year, beginning with the year 2001, at the hour of 6:30 o'clock, p.m., at a place designated by the Board of Directors for the purpose of electing directors as described below and for the transaction of such other business as may come before the meeting, or at such other time or place as designated by the Board. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the stockholders as soon thereafter as convenient.
- Section 2. Special Meetings. Special meetings of the stockholders may be called by the Chairman, the Commodore, the Board of Directors, or not less than one-tenth of the stockholders.

- Section 3. Place of Meeting. The Board of Directors may designate any place within the State of North Carolina, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Corporation in the State of North Carolina; but if all of the stockholders shall meet at any time and place, either within or without the State of North Carolina, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.
- Section 4. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of stockholders shall be delivered, either personally, by U.S. mail or facsimile, to each stockholder entitled to vote at such meeting, or, no fewer than 10, nor more than 60 days before the date of such meeting, by or at the direction of the Commodore, or the Yeoman, or the officers or persons calling the meeting. Notice shall also be publicized on the Club's website, if any. If mailed, such notice shall be deemed to be effective when deposited in the United States mail, correctly addressed to the shareholder's address as it appears on the current record of shareholders of the corporation, with postage prepaid thereon.
- In case of a special meeting or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the stockholder at his address as it appears on the Corporation's current list of members, with postage thereon prepaid. In the case of stockholders who are residents of the same household and who have the same address, the corporation may mail a single notice to such stockholders jointly.
- Section 5. Informal Action by Stockholders. Any action required by law to be taken at a meeting of the stockholders, or any action that may be taken at a meeting of stockholders, or any action that may be taken at a meeting of stockholders, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the stockholders entitled to vote with respect to the subject matter thereof.
- Section 6. Quorum. For the election of Directors only, one-tenth of the outstanding shares of the corporation shall constitute a quorum. One-third of the outstanding shares shall constitute a quorum for all other shareholder actions. If a quorum is not present at any meeting of stockholders, a majority of the stockholders present may adjourn the meeting from time to time without further notice. No action other than adjournment may take place without a quorum.
- Section 7. Proxies. At any meeting of stockholders, a stockholder entitled to vote may vote by proxy executed in writing by the stockholder or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.
- Section 8. Voting by Mail. Where directors or officers are to be elected by stockholders, such election may be conducted by mail in such manner as the Board of Directors shall determine.

Article IV
Board of Directors

- Section 1. General Powers. The business and affairs of the Club shall be managed by its Board of Directors. Except as otherwise expressly provided by law, the Articles of Incorporation, or these Bylaws, all of the power of the Club shall be vested in the Board of Directors.
- Section 2. Number, Term and Qualifications. The number of directors constituting the Board of Directors shall be seven (7). Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor shall have been elected and qualified. Directors need not be residents of the State of North Carolina, but must be Active Members in good standing of the Club. If due to death, resignation or removal of a Director(s) the remaining Directors may continue to carry on the business of the Club and no act of the Directors shall be invalidated due solely to the fact that there are fewer than seven Director's in office.
- Section 3. Election of Directors.
- a) Election by Stockholders. Directors shall be elected by a majority vote of the stockholders of the Club, present at a meeting where a quorum is present. A Director shall serve until his successor has been duly appointed or qualified. In the event of the death, resignation or removal of a Director, the Board of Directors may, but shall not be required to, call a special meeting of the members to elect a new director to fulfill the unexpired term.
- b) Classes of Directors. All directors elected by the Stockholders shall be divided into three (3) classes, two classes of two each and one class of three, to serve in the first instance for terms of one, two and three years each. Initially the Stockholders shall elect seven Directors, at the annual meeting of the Stockholders. Thereafter, the successor(s) in each class shall be elected to serve terms of three (3) years each to begin as of the end of the annual meeting of the Stockholders at which they are elected.
- Section 4. Vacancies. If vacancies exist among any class of Directors, the Stockholders may elect Directors to fulfill the unexpired term of any Director who has died, resigned or been removed, at the annual meeting or a special meeting called for that purpose. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. The Board of Director's may appoint a Director to fill a vacancy and serve until the annual meeting or a special meeting of the stockholders.
- Section 5. Chairman of the Board. There shall be a Chairman and Vice-Chairman of the Board of Directors elected by the directors from their number at any meeting of the Board of Directors. The Chairman, or in his absence the Vice-Chairman, shall preside at all meetings of the Board of Directors, and each shall perform such other duties as may be directed by the Board of Directors. The Chairman and Vice-Chairman shall be officers of the Club and may also serve as the Commodore and Vice-Commodore respectively.
- Section 6. Compensation. The Board of Directors shall serve without compensation. The Board of Directors may provide for the payment of any oar all expenses incurred

by directors in attending regular and special meetings of the Board of Directors. This shall not preclude directors from serving the Club in other capacities and receiving compensation for such other services.

- Section 1. Rules, Regulation, Policies. The Board of Directors may adopt such rules, regulations, and policies as it determines are necessary for the operation of the Club and any properties or facilities it owns or leases.

Article V
Meetings of Directors

- Section 1. Annual Meeting. The annual meeting of the Board of Directors shall be held on the second Saturday in November, immediately after the annual meeting of the Members, for the purpose of electing officers of the Corporation and for the transaction of any other business properly before the Board of Directors. If the annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called by or at the request of the Board of Directors and such meeting shall be designated and treated for all purposes as the annual meeting
- Section 2. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman or any two directors.
- Section 3. Regular and Additional meetings. Ordinarily the Board of Directors shall meet monthly unless otherwise approved by the Board. Additional meetings of the Board may be called by the Chairman or Commodore.
- Section 4. Place of Meeting. The annual or any special meeting of the Board of Directors may be held at the principal office of the Corporation or at such other place, either within or without the State of North Carolina, as shall be designated in the notice of the meeting or in a waiver of notice of the meeting signed by all the Directors then in office.
- Section 5. Notice of Meeting. The Secretary shall give notice of each annual meeting of the Board of Directors by mailing or e-mailing such notice to each director at least ten days before the meeting. The Chairman or other person calling a special meeting of the Board of Directors shall give notice thereof (or cause the Secretary to give notice) by mailing or e-mailing such notice to each director at least three days before the meeting. Notice of regular meetings of the Board may be given by adopting a schedule of meetings at any meeting of the Board. After the adoption of such a schedule no further notice shall be required except that a copy of the schedule shall be provided to any Board member not present when the schedule is adopted. Unless otherwise indicated in the notice thereof, and all business may be transacted at a meeting of the Board of Directors, except as otherwise provided by laws or these Bylaws.
- Section 6. Waiver of Notice. Any director may waive notice of any meeting, either before or after the meeting. Written waivers of notice shall be filed by the Secretary with the corporate records or as part of the minutes of the meeting. The attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

- Section 7. Quorum. A majority of the number of Directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. In the event of a tie vote, any absent Director may be contacted by telephone to break the tie or the matter may be tabled until the next Director's meeting.
- Section 8. Manner of Acting. Except as otherwise provided in these Bylaws, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.
- Section 9. Presumption of Assent. A Director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he objects at the beginning of the meeting or promptly upon his arrival, to holding it or transacting business at the meeting or his dissent is otherwise entered in the minutes of the meeting, or unless he either files his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or forwards his written dissent by registered mail to the Secretary to the Association immediately after the adjournment of the meeting. The right to dissent is not available to a Director who voted in favor of such action.
- Section 10. Informal Action By Directors. Action taken by a majority of the Directors without a meeting is nevertheless action of the Board of Directors if written consent to the action in question is signed by all of the directors and filed with the minutes of the proceedings of the Board of Directors, whether done before or after the action so taken.
- Section 11. Participation by Telephone. Any one or more Directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar communications device that allows all persons participating in the meeting to hear each other. Participation by these means shall be deemed presence in person at the meeting.

Article VI *Officers*

- Section 1. The officers of the Club and their rank shall be as follows:
Commodore, Vice-Commodore, Yeoman, Purser, and Rear-Commodore.
Officers shall be active sailors.
- Section 2. Duties of Officers:
- A. Commodore. It shall be the duty of the Commodore to preside at all meetings and to see that all rules and Bylaws of the Club are enforced. The Commodore shall call a meeting of the Governing Board at such time as he deems it necessary.
 - B. Vice-Commodore. The Vice-Commodore shall perform such duties assigned him and in the absence of the Commodore shall perform his duties.
 - C. Yeoman. It shall be the duty of the Yeoman to keep a correct record in a proper book of the proceedings of all meetings of the Club and Governing Board.

He shall keep a correct list of the name, size, rig builder and ownership of each yacht enrolled in the Club, a copy of which shall always be open for inspection by members of the Club.

He shall keep a correct roll of all members of the Club and notify any member who may be dropped from membership.

He shall give notice of meetings.

He shall file and properly keep all documents, records reports and communications connected with the business and affairs of the club.

He shall keep a copy of the Articles of Incorporation and Bylaws to be known as the "Official Copy" and shall transcribe in the copy all amendments to the articles of Incorporation and Bylaws as they are adopted.

- D. Purser. It shall be the duty of the Purser to collect, and shall deposit in such bank as shall be designated by the Governing Board, all dues, assessments and other monies belonging to the Club, and pay all bills and debts of the Club, taking proper receipts or vouchers for such payments.

He shall make a report from time to time, as may be directed, to the Governing Board of all monies in his hands, and of all dues and/or assessments in arrears, and shall make an annual report to the Club at their annual meeting in reference to the financial condition of the Club.

He shall perform duties as listed in Section 2, Article I.

In case of the Purser's inability to attend any meeting, he shall cause the necessary reports and documents to be carried to the place of meeting and delivered to the presiding officer of the meeting.

There shall be an annual audit of the corporation finances.

- E. Rear Commodore. The Rear Commodore of the Club shall be the immediate past Commodore of the Club and shall assist in the management and direction of the affairs and business of the Club and shall be responsible for the annual review of the finances of the corporation. If the Rear Commodore of the Club is no longer a Director of the Club, he/she shall be an ex officio of the Board of Directors without vote.

Article VII ***Election of Officers***

- Section 1. Election and Term. The officers of the Club shall be elected by the Board of Directors and must be Directors of the Club elected by the stockholders (except the Rear Commodore if his or her term as a Director has expired). Each officer

shall hold office until death, resignation, retirement, removal, or disqualification or until his successor shall have been elected and qualified.

- a. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by a majority vote of the Board of Directors whenever in its judgement the best interest of the Club will be served thereby.

Section 2. Compensation. The officers of the Club shall serve the Club with compensation.

Section 3. Validity of Signatures. In case any person whose signature shall appear on any bond, note, or other evidence of indebtedness of the Club shall cease to be an officer or hold an office of the Club shall cease to be an officer or hold an office different from tht held at the time of signature before the delivery of such instrument, such signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in such office until such delivery.

Article VIII

Dues and Assessments

Section 1. Annual Dues and Initiation Fee. The Board of Directors may determine from time to time the amount of initiation fee, if any, and amount of dues payable to the Club by its members. The dues and initiation fee payable by Active members and summer members may, but are not required to be, different.

Section 2. Assessments. The Board of Directors may for an unforeseen emergency or special project, by a 2/3 two-third vote of the Board of Directors, make a special assessment, not to exceed an amount greater than the annual dues.

Section 3. Due Date. Annual dues are payable in advance of February 28th in each year, and members will be delinquent as of April 1st of each year. Any member failing to pay dues or assessments within the time designated in the assessment proposal shall cease to be an Active member of the Club. The Governing Board shall see that proper notice is given, and if payment is not made shall order such member's name to be dropped from the Active rolls and report same to the next meeting of the Club.

Section 4. Dues due on only one Share. If a member has more than one share of stock in his name, dues shall be due on only one share. Upon transfer of stock to a not-share owner dues shall be due on the stock.

Article IX

Stock

Section 1. Stock will be transferable except that if the person receiving the stock is not an active member of the Club, the transfer to such person must be approved by the governing board.

Section 2. Price at which stock is to be sold by the Club shall be set by the Governing Board and reported to the members as old business at the annual meeting. The price designated shall in no case be less than par value.

Section 3. If a member requests that the Club sell his stock, his stock shall be turned in to the Purser and his shares will be placed in a pool of shares available for sale. All shares sold by the Club will be sold from this pool in the following priority:

- A. Member-owned shares on a first-in first-out basis.
 - B. Club owned shares.
- Section 4. Any member offering shares of stock for sale shall give first refusal of a bona fide offer of purchase to Waccamaw Sailing Club, Inc.. The proposed buyer must be acceptable to the Board of Governors.

Article X
Use of Facility

Use of the facility shall be determined by rules and policies adopted by the Board of Directors.

Article XI
Amendments

Except as otherwise provided by law, by the Articles of Incorporation or herein, these Bylaws may be amended or replaced and new Bylaws adopted by the affirmative vote of two-thirds (2/3rds) of the stockholders present at a meeting wherein a quorum is present at any annual or special meeting; provided, however, that notice of the meeting and the proposed changes to the Bylaws shall have been given or shall have been waived as provided in these Bylaws