

CONSTITUTION OF THE APALACHEE BAY YACHT CLUB

ARTICLE I - Name

The name of this non-profit corporation shall be the APALACHEE BAY YACHT CLUB, hereinafter referred to as the Club.

ARTICLE II - Purpose

The purpose of this Club is to form an association of persons who are interested in boating, in the racing of sailboats, in the exchange of ideas about boating, in the development of better boating techniques and seamanship, and in the development of camaraderie. Further, the Club shall promote activities that will perpetuate the ideals and traditions of boating. The Club shall be a non-profit corporation governed by a constitution.

History: Above amended 12/02/01

ARTICLE III - Membership and Dues

Membership: The types of membership, which shall include a Regular Member category are provided for in the By-Laws.

History: Above amended 11/20/10

Dues: The dues structure is explained in the By-Laws. All dues paying members must pay an initiation fee and must pay dues according to the By-Laws of the Club. All regular members must purchase one (1) equity unit in accordance with Article IV of the Constitution.

History: Above amended 12/07/88, 12/02/01, 09/11/04, 12/05/07, 11/20/10

ARTICLE IV - Ownership of Club Assets - Equity Units

Creation of Equity Units: After January 1, 1989, ownership of all club assets shall be represented by a maximum of 100 Class B and 600 Class A equity units that shall be distributed to or be available for purchase by regular members of the Club as set forth in this Article IV.

Required Purchase: The purchase and continued ownership of at least one (1) Class A equity unit shall be a condition of membership for each regular member.

Class A Units

Price and Payment: There shall be 600 Class A equity units. The price of each Class A equity unit for sale and for redemption purposes ("the current price"), shall be established by the Board as of January 1 on each year as the value of the Club's real property and improvements thereon most recently established for ad valorem real property tax purposes by the Wakulla County, Florida, Property Appraiser, divided by 600. No certificate shall be issued until the purchase price is paid in full and any partial payments shall not be refundable. There shall be no limit to the number of Class A equity units a regular member may purchase.

Split: Each holder of a Class A equity unit certificate on January 1, 2006, shall be issued an additional Class A equity unit certificate of equal value.

Oversubscription: If no Class A equity units are available for sale to satisfy the mandatory unit purchase requirement, a regular member shall pay into an Oversubscription Equity Unit Purchase Fund the current price of an equity unit. Members awaiting issuance of an equity unit certificate shall be placed upon a waiting list in chronological order by the date on which the purchase price is paid in full. An equity unit shall be issued to each as soon as one becomes available. At that time, the funds paid for the unit shall be withdrawn from the Oversubscription Equity Unit Purchase Fund and transferred to the Club in accordance with "Redemption of Class A Units" of

this article. Upon termination of membership, if a member has not been issued a mandatory equity unit, then the amount the member paid into the Oversubscription Equity Unit Purchase Fund shall be refunded without interest or other appreciation.

History: Above amended 11/20/10

Redemption of Class A Units:

Ten percent of all money received from the sale of Class A units shall be held in a separate Equity Unit Redemption Fund that shall be held and used solely for the purpose of redeeming Class A equity units. At any time the Redemption Fund is insufficient to redeem a Class A unit for which redemption has been requested 50% of all funds received from the subsequent sale of Class A units shall be allocated to the Redemption Fund until no units are awaiting redemption, at which time the allocation shall revert to 10%.

A Class A equity unit may continue to be held after termination of regular club membership. Except for the mandatory unit required for retention of regular membership, the holder of a Class A unit may request redemption at any time. The redemption shall occur at such time as the Redemption Fund possesses sufficient funds to redeem the unit at the current price at the time of redemption. The Club shall maintain a list of redemption requests in chronological order, and shall redeem units in the order in which the redemption requests were received. A unit transferred in violation of the *Transfer Restrictions* of this article shall not be eligible for redemption.

Initial distribution to Regular Members: The 100 Class B units were distributed among all regular members of the Club in good standing on December 31, 1988, who maintained their regular membership in the Club until December 31, 1989. The units were allocated based upon the number of continuous years or portions thereof of regular membership in the Club prior to January 1, 1988.

Liquidation of Assets: In the event of liquidation of the assets, the net proceeds shall be distributed on an outstanding unit basis. For the purposes of the liquidation, the value of the Class B units shall be 2 times the value of the Class A units.

Transfer Restrictions: No gift, sale or other inter-vivos transfer of a Class A or Class B equity unit shall be recognized. There shall be no restrictions on the transfer of Class A and Class B equity units by devise or inheritance.

Limitation on Rights: No voting rights and other than as set forth in this Article no rights to ownership or management of the Club shall be attached to ownership of Class A or Class B equity units. No interest shall be paid on any equity unit. There shall be no representation or inducements for sale of equity units on the basis of profit or appreciation in the units. No commissions shall be paid on the sale of equity units.

Certificates: Each Class A equity unit shall be represented by one (1) equity unit certificate. All Class B equity units including fractional units issued to a membership shall be represented by a single certificate. All equity unit certificates shall be signed by the Commodore, countersigned by the Purser, and impressed with the Club corporate seal. The following legend shall be imprinted upon all certificates:

The equity unit(s) represented by this certificate is (are) subject to limitations on voting, transfer and redemption and to other limitations and restrictions set forth in the Constitution and By-Laws of the Apalachee Bay Yacht Club, Inc., a copy of which is available for inspection from the Purser.

Redemption Restriction: Upon redemption of a unit or units of a holder who is indebted to the Club, the debt shall be deducted from the unit value prior to redemption.

Allocation of Equity Unit Funds: The net proceeds from the sale of all Class A equity units after the required allocation to the Redemption Fund, and all interest earned on funds held in the

Oversubscription Equity Unit Purchase Fund, shall be expended for the following purposes and in the following manner:

To reduce the principal balance of any outstanding debt (other than current payables) of the Club until such debt is eliminated; and, after elimination of the debt;

To repair, replace and maintain the Club's existing physical properties, and to improve and acquire additional permanent physical assets for the Club. Expenditures of these funds for current operating expenses shall be prohibited.

History: Above amended 11/20/10

Reserve Funds

Maintenance Reserve. In January of each year the Board of Directors shall set a minimum amount for the reserve fund that shall be no less than 5% of the previous year's value of the club's land and real property improvements established by the Wakulla County Property Appraiser.

Excess Funds. In December of each year any balance in the reserve fund in excess of the minimum established by the Board for that year may be applied by the Board toward reduction of the Club's debt.

History: Above amended 12/07/88, 12/31/05

SECTION 8 – Dock Reserve Fund

Ten percent (10%) of all revenues from the Club's docks shall be allocated to a separate reserve fund to be used solely for the maintenance, replacement, or improvements of or additions to the docks.

History: Created 12/07/88

ARTICLE V Officers and Board of Directors

The officers of this Club shall be regular members and shall be as follows:

- A Commodore
- A Vice Commodore
- A Rear Commodore
- A Scribe
- A Purser
- The Past Commodore

The Board of Directors shall consist of all the Officers plus a Junior Board Member and a Senior Board Member.

All members of the Board, except the Past Commodore, shall be elected at the November business meeting of the Club. Their duties and terms of office are addressed in the By-Laws.

History: Above amended 4/4/90, 12/04/91, 12/2/97, 11/20/10

Nominations: Sixty (60) days prior to the annual business meeting, the Commodore shall appoint a Nominating Committee composed of the immediate past two Commodores (or the two most recent who are available) and a member at large to draw up and present a recommended slate.

The Nominating Committee shall submit at the October meeting one (1) name for every elective office. Additional nominations from the floor may be made at the October meeting. No further nominations may be made after the close of nominations at the October meeting.

History: Above amended: 12/05/??, 12/01/07

ARTICLE VI - Meetings

There shall be regular meetings of the membership at large. The annual business meeting shall be held in November of each year and shall include the election of Officers and Board Members for the following year, the reports of the Officers, and other necessary business. The elective year and fiscal year for the Club shall be from 01 January until 31 December.

History: Above amended 12/01/??, 11/20/10

At the annual business meeting, fifteen percent (15%) of the voting membership shall constitute a quorum. At any other general meeting, ten percent (10%) of the voting membership shall constitute a quorum. A simple majority renders a decision.

The Board of Directors shall meet monthly, when possible. The meetings of the Board of Directors shall precede any annual or general business meeting required by the Club. The Commodore shall set the time and place of all Board meetings.

History: Above amended 11/20/10

ARTICLE VII - Committees

The permanent committees shall be defined in the By-Laws.

ARTICLE VIII - Amendments to the Constitution

Any member desiring a change in the Constitution shall secure the signature of twenty-five percent (25%) of the regular voting membership for the proposed change(s), and shall submit the petition to the Board of Directors. The Board of Directors shall cause the proposed change(s) to be published in the Club's newsletter in September, October, and November and thus transmitted to the membership sixty (60) days prior to action at the annual business meeting in November. The proposed change(s) shall be read at the October and November meetings and voted upon during the November meeting. A two-thirds (2/3rds) majority of the regular voting membership shall be required to sustain an amendment. Absentee, mailed or electronic, ballots shall be authorized.

History: Above amended 11/20/10

ARTICLE IX - Amendments to the By-Laws

Any member may propose amendment(s) to the By-Laws and such action shall be initiated by submitting the proposed amendment(s) to the Board of Directors. The Board shall cause such proposed amendment(s) to be (1) read at the next general meeting of the membership; (2) published in the next edition of the newsletter; and, (3) voted upon by the membership at the next general meeting. A majority of members present and voting, provided a quorum of ten percent (10%) is present, shall be required for the adoption of proposed By-Law changes. Absentee, mailed or electronic, ballots shall be authorized.

History: Above amended 11/20/10