

AMENDED AND RESTATED BYLAWS
OF THE ARIZONA YACHT CLUB, INC.
an Arizona nonprofit corporation

ARTICLE 1.0: AUTHORITY

These Amended and Restated Bylaws have been adopted pursuant to the authority of the Articles of Incorporation and the Bylaws of the Arizona Yacht Club, Inc., as evidenced by a two-thirds (2/3) majority vote of a valid quorum of the membership on May 6, 2008. These Amended and Restated Bylaws are to be effective as of May 15, 2008 (the "Effective Date"). These Amended and Restated Bylaws amend and restate in their entirety the prior Bylaws. These Restated Bylaws are not intended to change or modify in any way the date of formation of the Corporation or to affect any transactions or contracts entered into by the Corporation prior to the Effective Date. From and after the Effective Date, these Restated Bylaws are to be referred to as the "Bylaws" for the Corporation and no references to the prior Bylaws need be made in any future corporate documents or any amendments to these Restated Articles.

ARTICLE 2.0: NAME

This corporation shall be known as the ARIZONA YACHT CLUB, INC., (hereinafter, "Club").

ARTICLE 3.0: PURPOSE

This corporation is created exclusively for pleasure, recreation and other nonprofit purposes, including but not limited to:

- 3.1 Promotion of social, fraternal, and sporting activities in connection with sail-boating within and outside of the State of Arizona;
- 3.2 Organization, sponsorship and regulation of sailing and yachting meets, races and regattas among its Members and Guests: and
- 3.3 Doing all other acts necessary or expedient for the administration of the affairs and attainment of the purposes of the corporation.

ARTICLE 4.0: ARTICLES AND BYLAWS AVAILABLE TO MEMBERSHIP

A copy of the Articles of Incorporation and these bylaws shall be available to each voting member of the Club.

ARTICLE 5.0: FISCAL YEAR AND AUDIT REQUIREMENTS, FISCAL AFFAIRS

5.1 The fiscal year of the Club shall be from July 1st to June 30th. The Board of Directors may engage the services of a Certified Public Accountant to prepare Federal and State Information Return forms. In that case, the Treasurer shall submit the Club's books and records to the Accountant within sixty (60) days after the end of the fiscal year. The Information Returns shall be prepared and submitted to the Board of Directors for review, approval and execution within 120 days after the end of the fiscal year.

5.2 The financial affairs of the Club shall be the responsibility of the Board of Directors.

5.3 All monies, funds and properties received by the Club are to be immediately considered the property of the Club and shall be dispensed or expended in accordance with these bylaws and the Articles of Incorporation.

5.4 The Treasurer shall make all disbursements in accordance with Article 5.2 of these bylaws and he shall have prior approval of the Board of Directors for all such disbursements.

5.5 The Board of Directors shall adopt a fiscal year budget no later than August 31, to be effective for the current fiscal year.

ARTICLE 6.0: MEMBERSHIP AND VOTING PRIVILEGES

6.1 ELIGIBILITY

Any person of good moral character who proposes to support the purposes for which the Club was established and has a demonstrated interest in Arizona sailing, and who otherwise meets the eligibility requirements set forth under the appropriate membership classification, below, shall be eligible for membership in the Club. In no case shall race, color, sex or creed constitute a factor for determination or eligibility. New applications from a person(s) not showing residence within the State of Arizona shall be subjected to particular review of the above requirements prior to being admitted to membership.

6.1.1 It shall be the policy of the Club and its Board of Directors to review new membership applications with due consideration of the possibility of potential abuse of reciprocal privileges with other yacht clubs.

6.2 APPLICATION PROCEDURE

6.2.1 Candidates for admission to new membership shall require sponsorship by two (2) adult members. Applications for membership shall be submitted in writing, with the endorsement of the sponsors, and accompanied by the appropriate initiation fee and membership dues for the membership classification for which application is being made. Notwithstanding the provisions of this paragraph, the Board of Directors shall have the authority to make other provisions for payment in specific cases, at its discretion.

6.2.2 Admission to membership shall require a simple majority approval of a quorum of the Board of Directors. The decision of the Board shall be final and shall not require any justification. A rejected candidate may reapply after a waiting period of six (6) months from the date of rejection.

6.3 There shall be the following Voting Memberships:

6.3.1 FULL: This membership shall consist of individuals, heads of households, or couples and all of their children under the age of twenty-one (21) years. Each Full Membership is entitled to one (1) vote to be cast by an adult member of the household. Any adults of the household may hold Office. All household members shall be entitled to all other privileges of the Club and its activities. Any member of the household under twenty-one (21) years of age shall automatically be a Junior Member without any further fees or dues being required.

6.3.2 LIFE: Any Club Member in good standing who has reached the age of sixty-five (65) and who has paid dues in any Voting Membership class for a period of at least twenty (20) consecutive years shall be eligible for this class. During his lifetime a Member of this class shall have all Club privileges accorded an adult Full Member and shall not be liable for any membership dues or assessments arising subsequent to the date of transfer to this class. To maintain Life Member status, the Member must update his contact information between June 1 and September 1 of each year or be reclassified as Inactive.

6.3.3 HONORARY LIFE: Honorary Life Membership may be granted to any Club Member whose services to the Club and the sport of sailing shall have been deemed outstanding over a period of years. The person shall be recommended for this class of membership by a member of the Board of Directors and shall be approved by a ninety percent (90%) majority vote of the Board of Directors in a secret election. A Member of this class shall have all Club privileges accorded an adult Full Member and shall not be liable for any membership dues or assessments arising subsequent to the date of transfer to this class.

6.4 The following Memberships are designated Non-Voting and shall have no voting rights, no reciprocal yacht club privileges, no right to hold a Membership card, and no right to hold Office in the Club, except as specifically stated below:

6.4.1 JUNIOR: This Membership shall consist of individuals 25 years old or younger. Junior Members shall be eligible to skipper in any Club races. Any Junior Member who has reached the age of twenty six (26) shall be required to transfer to Full Membership class, but if the person has paid Junior dues for three years or more, no initiation fee will be charged.

6.4.2 HONORARY: This Membership shall consist of non-members who have exhibited exemplary conduct, interest and/or benefit to the Club. The Board of Directors may appoint such persons to a one (1) year term of membership in this class, such term to be renewable on an annual basis by the Board. There shall be no membership dues or assessments for this class of membership and such Members shall be entitled to all social privileges of the Club.

6.4.3 INACTIVE: This Membership shall consist of any Member of the Club who, upon application to the Board of Directors, are deemed to have cause to be placed on Inactive status. Duration of such status shall be discretionary with the Board as shall application of dues, fees and assessments to such Inactive Members. Members of this class shall not partake in any Club activities as a Club Member and shall not be on the Club's mailing list.

6.4.4 RESIGNED: A Resigned Member shall have no privileges and shall be subject to a new initiation fee upon reapplication to any Membership class.

6.4.6 GUEST: A guest is a non-member who is accompanied by any Member, as heretofore defined, to any Club function.

6.5 MEMBER AND GUEST PRIVILEGES

6.5.1 Club publications shall be available to all classes of Members, except as otherwise provided for with respect to election ballots in Article 9.0.

6.5.2 All Members and their Guests may partake in any Arizona Yacht Club sponsored activity, but only Voting Members and Junior Members may register a Yacht in a Club sponsored race unless otherwise specified in the "Notice of Race."

ARTICLE 7.0: INITIATION, DUES AND ASSESSMENTS

7.1 There shall be an initiation fee for each new member, according to the Membership class. Dues shall be assessed according to the Membership class and new members may pay half the annual dues when two (2) to six (6) months remain in the membership year (see paragraph 7.2, below) at the time of membership approval and nothing when less than two (2) months remain in the membership year. The current initiation fee and dues schedule is as shown in Appendix A, attached hereto and made a part hereof.

7.2 Membership dues shall be due annually on July 1st and payable within thirty (30) days. Beginning August 15, a delinquent Member's name shall be posted to the membership on the Club Web site or in *Compass Points*. As of September 1, any delinquent member shall forfeit all Club privileges, until his obligations have been discharged. As of October 1, any delinquent member shall have his Membership terminated and he shall become a Resigned Member (see paragraph 6.4.4).

7.3 Assessments in addition to dues and initiation fees may be levied by the Board of Directors if approved by a three-quarters (3/4) majority vote thereof. Such assessments must be approved by a two-thirds (2/3) majority vote of those Members of the Club casting a ballot in a Regular or Special Election.

DIRECTORS AND OFFICERS

8.1 DIRECTORS: The Board of Directors shall have complete responsibility and authority for the affairs and policies of the Club within the limits defined herein and in the Articles of Incorporation. They shall inquire into standing and character of election candidates and elect into Membership of the Club such candidates as they may consider desirable. While individual directors hold responsibility for specific functions and duties described below, they shall carry out those functions and duties subject to the approval and direction of the Board of Directors.

8.2 Any Voting Member, but no others, shall be eligible to be a Director or Officer of the Club. The Arizona Yacht Club shall have Directors and Officers as follows:

8.2.1 DIRECTORS: There shall be eleven (11) Members of the Board of Directors, all of whom also hold positions as Officers. Nine (9) of the Directors shall be elected by the Voting Members of the Club as set forth below and two (2) shall be granted Membership by the Board of Directors as set forth below. Each Director has a single vote on decisions of the Board of Directors.

8.2.2 OFFICERS: There shall be a Commodore, Vice Commodore, Rear Commodore, Secretary, Treasurer, Fleet Captain, Cruising Captain, two (2) Membership Directors, Senior Staff Commodore, and Junior Staff Commodore. All Officers are members of the Board of Directors for their elected terms or until replaced. All Officer tenures shall begin upon election.

8.3 DUTIES: The duties of the Officers shall be as follows:

8.3.1 COMMODORE: The Commodore shall preside at all meetings of the Club Membership and the Board of Directors. He shall appoint the Chairmen of all Club Committees, except as stated below. All such appointments shall be subject to the approval of the Board of Directors. He shall be an ex-officio member of all Club Committees. He must sign all authorized contracts in the name of and on behalf of the Club. He shall be the Executive Officer of the Club and shall have general charge and supervision of corporate affairs and shall execute such other duties as the Membership or the Board of Directors shall assign to him.

8.3.2 VICE COMMODORE: In the event of absence of the Commodore or at the request of the Commodore, the Vice Commodore shall perform any and all duties of the Commodore. Upon the death, removal or resignation of the Commodore, the Vice Commodore shall become Commodore in title and function for the remainder of the term of the Commodore. The Vice Commodore shall be responsible for club publications (whether print or electronic), for keeping records of the Club's perpetual trophies and for any trophies won by the Club.

8.3.3 REAR COMMODORE: The Rear Commodore shall assist the Commodore and Vice Commodore in their duties and shall perform all of their duties in their absence. He shall appoint the Chairman and Members of the Program and Education Committees and all Special Social Committees as may be delegated to him by the Commodore and shall be responsible for the operation of such Committees. All such appointments shall be subject to the approval of the Board of Directors.

8.3.4 SECRETARY: The Secretary shall maintain the minutes of all meetings of the Membership and the Board of Directors. He shall keep all of the records, except fiscal records, of the Club and shall issue all notices required by the Articles of Incorporation and bylaws of the Club and as may be required by the Board of Directors. The Secretary is authorized to delegate responsibility for the execution of corporate instruments to the statutory agent, but shall procure prior approval of the Commodore for all commitments of the Club.

8.3.5 TREASURER: The Treasurer shall be responsible for and have control of the fiscal matters of the Club. He shall collect all dues and assessments. He shall endorse on behalf of the Club all collections, checks, notes and any other

obligations or assets of the Club and shall promptly deposit all receipts received for the Club in such banks or other depositories as shall be directed by the Board of Directors. He shall maintain all fiscal records of the Club and shall make such records available for inspection at all reasonable times to the Board of Directors or to any Member. He shall report on the state of the financial conditions of the Club at each meeting of the Board of Directors, but he may delegate that reporting function to another member. The newly elected Treasurer shall be responsible for generating a Financial Planning Budget for presentation to the Board of Directors for approval no later than the August meeting of the Board of Directors.

8.3.6 FLEET CAPTAIN: The Fleet Captain shall govern all racing activities. He shall Chair the Rules Committee and shall appoint the Chairmen and Members of all special racing committees as may be delegated to him by the Commodore and shall be responsible for the operation of such committees. The Fleet Captain shall have responsibility for general supervision of all ramps, docks, boats, anchorages, buoys, beacons and channel marks maintained by the Club. He shall have the authority to assure that all yachts in the Club fleet are operated in a safe and orderly manner with proper safety equipment aboard during racing activities and may mete out appropriate Club privilege restrictions to violators.

8.3.7 CRUISING CAPTAIN: The Cruising Captain shall govern all non-racing sailing activities of the Club. He shall be the Chairman of the Cruising Committee and shall appoint its members. He shall appoint the Chairmen and members of all special cruising activity committees as shall be delegated to him by the Commodore and shall be responsible for the operation of those committees. He shall have the authority to assure that all yachts in the Club fleet are operated in a safe and orderly manner with proper safety equipment aboard during non-race activities and may mete out appropriate Club privilege restrictions to violators.

8.3.8 MEMBERSHIP DIRECTORS: The two (2) membership directors shall have responsibility for recruiting, vetting, and proposing for membership new Members. The Membership Directors shall also have responsibility for assembling and publishing the annual Roster of Members, with publication completed before October 1.

8.3.9 JUNIOR AND SENIOR STAFF COMMODORES: The two Staff Commodores have no formal responsibilities beyond those of Director.

ARTICLE 9.0: ELECTIONS, VACANCIES AND APPOINTMENTS

9.1 ELECTIONS

9.1.1 All elections by the Membership shall be by mail or electronic ballot with an option for each Voting Member of the Club to cast his or her ballot by mail or in person, (See Article 9.1.5., below). The only required election is the Regular Election for Directors and Officers. Other elections shall be as determined by the Board of Directors.

9.1.2 Election of Officers. The following Club Officers shall be elected annually by the Membership for one (1) year terms: Commodore, Vice Commodore, Rear Commodore, Fleet Captain, and Cruising Captain. Each year the following Club Officers shall be elected by the Membership for two (2) year terms: Membership Director, Junior Staff Commodore (who shall become Senior Staff Commodore in the second year of his tenure).

9.1.2 Election of Officers shall follow this procedure and schedule:

On or before March 1: the Commodore shall notify the members of the Nominating Committee of the date, time, and place of the nominating meeting.

Between March 7 and 21: Meeting of the Nominating Committee

March 31: All nominations from the Nominating Committee or Membership become final. In addition to nominees chosen by the Nominating Committee, any two (2) Voting Members of the Club may nominate a candidate by presenting the nomination in writing to the Commodore by this date. Such nominees shall appear on the ballot together with the nominees chosen by the Nominating Committee.

Between April 1 and April 15: There shall be published a Notice of Election with the time and place of the election, a procedure for electronic or mailed ballots, the list of nominees for all offices and the names of the members of the Board of Directors and Nominating Committee. Such publication may be electronic or print or both so long as it is disseminated to all Members of Record as of April 1. Between April 1 and 15: Election ballots shall be mailed by first class mail or electronic ballots shall become available to the Members of Record as of April 1.

Between May 1 and 15: Ballots are due and counted at the designated time and place of the election. Electronic voting shall be closed 24 hours before the designated time. Ballots returned by first class mail must be postmarked at least five (5) days prior to the time designated for this election or be presented by the Voting Member in person at the time and place designated for the election.

9.1.3 A simple majority of those voting shall prevail in all matters except for an amendment of these Bylaws or an amendment of the Articles of Incorporation wherein a two-thirds (2/3) majority of those voting shall prevail, but in

no case shall the Board of Directors change the method of voting for Officers and Directors without an amendment of these Bylaws.

9.1.4 The membership may initiate an election on any matter by petition to the Board of Directors bearing valid signatures of ten percent (10%) of the eligible Voting Members of record. The Board of Directors shall then cause such an election to be held.

9.1.5 The Treasurer and Secretary shall be elected by secret ballot of the newly elected and carryover Members of the Board of Directors at their initial meeting and the newly elected Officers shall serve in those offices for a period of one year. The Treasurer and Secretary must be Voting Members of the Club in accordance with Article 6.3. No other business shall come before the Board of Directors until after the election of Officers. A simple majority shall prevail. If there is no candidate receiving a simple majority, there shall be a runoff between the two (2) candidates receiving the highest number of votes.

9.2 VACANCIES

9.2.1 A vacancy occurs when an Officer or Director dies, resigns or is duly removed from office or in the event that the Vice Commodore assumes the Office of Commodore under the terms of Article 8.3.2 This means that there shall, at all times subsequent to the election of new Officers at the beginning of each fiscal year, be eleven (11) Members of the Board of Directors. Therefore, any vacancy shall be filled by appointment of the Commodore subject to the approval of a two-thirds (2/3rds) majority of the Board of Directors. The term of the appointment shall be until the position can be filled by a regularly-required general Membership election or by the next regular election of Officers by the Board of Directors, whichever applies. No person shall hold two (2) Offices simultaneously.

9.3 APPOINTMENTS

9.3.1 All committee members, except the members of the Rules Committee and Nominating Committee, may be appointed by the Commodore with approval of the Board of Directors, but the Commodore shall have the option of allowing Committee Chairmen to appoint and remove their own committee members.

ARTICLE 10.0: RESIGNATIONS AND REMOVALS

10.1 RESIGNATIONS

10.1.1 Should an Officer decide to resign from his Office, he must also resign from his position as a Member of the Board of Directors.

10.2 REMOVALS

10.2.1 Committee Chairmen hold their office by reason of appointment. The person who made the appointment may also remove them.

10.2.2 An Officer of the Club may be removed from office, for good cause shown, by a vote of at least three-quarters (3/4) of the members of the Board of Directors who are voting.

10.2.3 Any Member may be suspended or expelled from the Club for conduct injurious to the welfare of the Club. Upon receipt of written complaint from one (1) or more Members, the Board of Directors shall investigate the alleged misconduct and take such action as it deems in order, provided that no Member may be expelled or suspended without opportunity of a hearing before the Board. Such suspension or expulsion of a Member shall require a vote of at least three-quarters (3/4) of the members of the Board of Directors who are voting.

ARTICLE 11.0: MEETINGS

11.1 GENERAL MEETINGS

11.1.1 Special Membership meetings may be called by the Board of Directors at any time for any specific purpose. Notice of the time, place and purpose of such a special meeting shall be published to the Membership at least twenty (20) days prior to the meeting date.

11.2.0 MEETINGS OF THE BOARD OF DIRECTORS

11.2.1 The Board of Directors shall have a scheduled meeting once a month unless the Board of Directors determines to cancel or reschedule such meeting and a reasonable effort is made to afford all Members of the Club notice of such cancellation or rescheduling.

11.2.2 Meetings of the Board of Directors are normally open to the Membership. Members may take part in these meetings but have no vote. The Commodore has the power to reasonably restrict debate at meetings of the Board of Directors. The Board of Directors may close any meeting thereof, or any portion thereof, for good cause shown. An example of good cause would be for the purpose of discussion of bids from competitive bidders for real estate owned by the Club or other such sensitive matter which if known publicly would put the Club at a competitive disadvantage. The Board of Directors must not use this power to close meetings without careful consideration of

the balance between the desire and intent to inform its Membership of Corporate activities and the sensitivity mentioned, above.

11.2.3 The Board of Directors shall hold meetings on call of the Commodore or any three (3) members of the Board of Directors and six (6) members shall constitute a quorum. All questions submitted to a vote of the Board of Directors shall require a simple majority of those members of the Board of Directors voting on that question to be carried, unless otherwise stated elsewhere in these bylaws.

ARTICLE 12.0: COMMITTEES

12.1 There shall be at least the following standing Committees:

12.1.1 RULES: To be Chaired by the Fleet Captain and shall consist of Members representing each active racing fleet of the Club. "Active" in the sense of this paragraph shall mean that the requirements of the Club Racing Rules for a separate fleet start were satisfied by a fleet in the most recently completed spring or fall racing series. Each such active fleet shall appoint its own representative and alternate to the Rules Committee. The Rules Committee shall set the racing calendar and prescribe the rules to be used for it in conformance with US Sailing and any applicable Fleet Rules. The racing calendar shall be coordinated with the social and cruising calendars of the Club.

12.1.2 NOMINATING: All members of the Nominating Committee must be Voting Members of the Club. The Fleet Captain of each active fleet shall notify the Commodore of the Fleet's representative. The Cruising Captain shall select one (1) member from the ranks of the predominately Cruising Voting Membership and the Commodore shall select two (2) members-at-large representatives from the ranks of the non-racing Voting Members of the Club. Such selections by the Active Racing Fleets, Cruising Captain and Commodore shall not be subject to approval or challenge by any other entity or person. For the purposes of this Article, an "Active Racing Fleet" shall mean a racing fleet which qualified for a separate start and has at least four (4) Voting Members registered to race, in the last completed Fall or Spring Series of the Club's racing calendar just prior to the Nominating Committee's first meeting. The Chairman of the Nominating Committee shall be the Commodore of the Club who shall have no vote on the Nominating Committee. No other Officers or Board Members may be on the Nominating Committee. There shall be no requirement for the Nominating Committee to nominate any incumbent Officer or Member of the Board of Directors to any Office or Board of Director Membership. The Nominating Committee shall procure approval of each of its nominations from the person being nominated prior to conclusion of its duties for the year. The Nominating Committee may nominate more than one (1) candidate for each position open. Notwithstanding the foregoing, the Commodore shall automatically be nominated for the position of Junior Staff Commodore. 12.2

12.1.3 SPECIAL COMMITTEES: The Commodore may appoint Special Committees for specific purposes. These Special Committees shall have no inherent powers other than those granted by the Commodore.

12.1.4 OTHER STANDING COMMITTEES: The Commodore, with the approval of the Board of Directors, shall appoint Chairmen, and, at the Commodore's option, committee members, to perform tasks for the Club.

ARTICLE 13.0: AMENDMENT OF THESE BYLAWS

13.1 Any Member may request amendment of these bylaws.

13.1.1 The request shall be submitted in writing to the Club Secretary. The Commodore shall appoint and instruct a Bylaw Committee to review the proposed amendment. If the Committee approves of the amendment as submitted, it shall pass it to the Board of Directors. If the Committee does not approve the proposed amendment, it shall attempt to negotiate suitable changes therein with the author so that the Committee can approve the amendment and forward it to the Board of Directors. Absent its approval of the proposed amendment, the Bylaw Committee shall pass the amendment to the Board of Directors with a negative recommendation.

13.1.2 The Board of Directors shall consider all proposed amendments received from the Bylaw Committee together with that Committee's recommendation and then attach its own recommendation thereto. A two-thirds (2/3) majority of the Board shall constitute veto power to prevent publication or a vote of the Voting Members on the proposed amendment. Provided there is no such veto exercised by the Board, the proposed amendment shall be published to the Membership at the same time and schedule as the notice of election for Officers.

13.1.3 Subsequent to the publication of the proposed amendment, it shall be placed on the ballot for the next election for Directors. No special election shall be called for a proposed amendment unless at least nine (9) members of the Board of Directors vote for such an election.

13.1.4 A two-thirds (2/3) majority of those voting shall be required to pass an amendment to these bylaws. The Board of Directors may establish procedures for any special election as long as they provide for reasonable notice and opportunity for all Members of Record to vote.

ARTICLE 14.0: GENERAL

14.1 Wherever the male gender is used herein, it shall be understood that either gender is intended.

14.2 The Article and sub-Article titles used herein are for the convenience of the reader and are not to be construed to have any particular legal meaning.

14.3 These bylaws are severable; any such bylaw which is or is found to be in conflict with any applicable law or regulation shall be rendered ineffective, but all others of these bylaws shall continue to be of full force and effect thereafter insofar as they are not in such conflict.

14.4 Robert's Rules of Order shall serve as the parliamentary authority for the Club, in any meeting sanctioned thereby, for all rules and procedures not covered by these bylaws. In any case, the provisions of these bylaws and the Articles of Incorporation shall prevail in case of any conflict of rules. In case of conflict between the Articles of Incorporation and these bylaws, the Articles of Incorporation shall prevail.

14.5 When an Article number is referenced herein, it shall be deemed to refer to that number and to all sub-Article numbers thereunder.

APPENDIX A

Membership Class Initiation Fee Annual Dues

FULL: \$150 initiation and \$125 dues

JUNIOR \$20 initiation and \$20 dues

GUEST (Fees as may be designated by the Board of Directors for any given event. It shall be the policy of the Arizona Yacht Club to encourage guests to take part in any and all activities of the Club, but it shall also be the policy of the Club to discourage excessive or unreasonable repeated use of the Club's facilities and activities by encouraging the guest to apply for Full Membership).