

Erie Yacht Club Foundation, Inc.

BYLAWS

ARTICLE I. PURPOSES AND NAME

The Erie Yacht Club Foundation, Inc. (“Foundation”) is a nonprofit corporation organized under Section 501 (c)(3) of the Internal Revenue Code exclusively for charitable and educational purposes, including, without limitation, the establishment, promotion, and operation of activities which further the understanding and knowledge of sailing, boating, and the use of watercraft of all types; and shall be known as the Erie Yacht Club Foundation, Inc. A more definitive statement of its purposes is set forth in its Articles of Incorporation.

ARTICLE II. OFFICES

Section 2.01. The principal office of the Foundation in the State of Pennsylvania shall be located at 1 Ravine Dr, Erie, PA 16505, or at any other place or places as its Board of Trustees may designate.

Section 2.02. The Foundation may have additional offices at such places as its Board of Trustees may from time to time determine or the business of the corporation may require.

ARTICLE III. MEMBERS

Section 3.01. The members of the Foundation (“Members”) at any time shall consist solely of the members of the Board of Directors of the Erie Yacht Club (“EYC”) at such time.

ARTICLE IV. MEETINGS

Section 4.01. There shall be an annual meeting of the Members of the Foundation and such special meetings as may be called. The annual meeting of the Members of the Foundation shall be held at the regular October meeting each year of the EYC Board of Directors. At least

ten (10) days written notice of the annual meeting must be provided to each Member of the Foundation by its Secretary or a person designated by the Secretary.

Section 4.02. Special meetings of the Foundation may be called at any time by its Chairman, its Secretary or written request of at least five (5) Members of the Foundation. The object of such special meeting must be stated in the call and at least ten (10) days written notice must be mailed to each Member of the Foundation by its Secretary.

Section 4.03. Seven (7) Members of the Foundation present in person shall constitute a quorum for the conduct of business. Members present at a duly organized meeting shall continue to conduct the business of the Foundation, despite withdrawal of Members leaving less than a quorum.

Section 4.04. Voting may be in person or by proxy or by unanimous consent of all Members. Cumulative voting shall not be practiced.

Section 4.05. The agenda for meetings of the Members of the Foundation shall be as follows:

- (a) Annual Meeting:
 - (1) Call to Order.
 - (2) Presentation and approval of minutes of last annual and interim special meetings.
 - (3) Presentation of the Annual Report of the Foundation's Board of Trustees.
 - (4) Transaction of other proper business.
 - (5) Election of members of the Foundation's Board of Trustees.
 - (6) Adjournment.
- (b) Special Meetings:

- (1) Call to Order.
- (2) Reading of the Official Call for the meeting.
- (3) Transaction of business for which the meeting was called.
- (4) Adjournment.

ARTICLE V. BOARD OF TRUSTEES

Section 5.01. The management of this Foundation shall be vested in a Board of Trustees (“Trustees”), as provided by law. The Trustees shall have charge, control and management of the property, affairs and funds of the Foundation, and also shall have the power and authority to do and perform all acts and functions not inconsistent with these Bylaws, and the laws of the Commonwealth of Pennsylvania, the Articles of Incorporation, or with any action taken by the Foundation.

Section 5.02. The Board of Trustees shall initially consist of not more than seven (7) persons. The Board of Trustees shall be divided into three classes, three (3) to be elected initially to serve for a term of one (1) year, two (2) initially to serve for a term of two (2) years, and the remaining two (2) Trustees to serve for a term of three (3) years. Thereafter, each Trustee shall serve, upon election, for a term of three (3) years. If the initial meeting of the Members of the Foundation's to elect the Foundation's Board of Trustees is held other than at the regular October meeting of the EYC Board of Directors (as is hereby allowed), the initial terms of the Trustees shall be extended by the time remaining until the next such regular October meeting of the EYC Board of Directors.

As of June 20, 2011 and each fiscal year thereafter, the Trustees may be increased to not more than eleven (11) persons, divided into the existing three classes, two of which shall have not more than four persons and the remainder of which shall have not more than three persons.

These additional positions on the Board of Trustees shall be filled by the Members in contrast to the filling of vacancies on the Board of Trustees under Section 5.06 following. The Members shall keep the size of the classes as nearly equal as possible and each class shall serve for staggered three-year terms.

The Immediate Past Commodore of EYC will serve as one of the Trustees, for a one-year term.

Section 5.03. The Members of the Foundation shall elect members of its Board of Trustees at the regular October annual meeting of the Foundation held in October of each year. No fewer than two (2) of the Trustees shall at any time be past or current members of the Board of Directors of EYC and one of which two shall be a past Commodore of EYC. In electing the Board of Trustees the Members shall consider but not be limited to any slate proposed by the Board of Trustees.

Section 5.04. The election of the Board of Trustees at the annual or initial meeting of the Members of the Foundation shall be by voice vote. If there are more nominees than available positions, those receiving the highest number of votes shall be elected Trustees.

Section 5.05. The Board of Trustees may declare a vacancy to exist when it has determined that a member thereof has been absent for three (3) consecutive meetings without valid excuse.

Section 5.06. Vacancies on the Board of Trustees due to death, resignation or other cause may be filled by the Board of Trustees for the unexpired term.

Section 5.07.

(a) The Board of Trustees shall meet not less frequently than two times a fiscal year at a time and place fixed by the Board of Trustees.

(b) Special meetings of the Board of Trustees may be called by its Chairman and shall be called by its Secretary on the written request of three (3) or more Trustees. Notice of such meeting shall state the business to be transacted and no other business shall be considered.

Section 5.08. Notice of regular and special meetings of the Board of Trustees shall be provided at least five (5) days prior to the meeting date.

Section 5.09. The majority of the duly appointed but not less than four (4) Trustees shall constitute a quorum for the conduct of business, but a lesser number may meet and adjourn from time to time until a quorum is present. Members of the Board of Trustees present at a duly organized meeting shall conduct the business of the Foundation, despite withdrawal from such meeting of Trustees leaving less than a quorum.

Section 5.10. The officers of the Foundation shall be a Chairman, Vice Chairman, Secretary and Treasurer. The officers shall be elected by ballot from among the membership of the Board of Trustees at the first meeting subsequent to the annual meeting of the Foundation, which shall be the organizational meeting. Officers shall serve for one (1) year, or until their successors have been duly elected. In the case of any vacancy occurring in an office, a successor may be elected at any regular meeting of the Board of Trustees to complete the unexpired term of the vacant office. The Board of Trustees may also choose an Assistant Secretary and such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall have such authority and shall perform such duties as from time to time the Board of Trustees shall prescribe.

Section 5.11. The Chairman shall preside at all meetings of the Board of Trustees and shall be an ex-officio member of all committees of the Board of Trustees, except the Executive Committee of which the Chairman shall act as Chairman.

Section 5.12. The Vice Chairman shall assume the authority and duties of the Chairman in the absence of the Chairman.

Section 5.13. The Secretary shall keep a record of all the proceedings of the Board of Trustees and of the Foundation. In addition, the Secretary shall be responsible for the maintenance of the records and seal of the Foundation. In addition, the Secretary or a person designated by the Secretary, shall conduct the correspondence of the Foundation and of the Board of Trustees and shall give notice, as provided in these Bylaws, of all meetings of the member of the Foundation and of the Board of Trustees. The Secretary, or a person designated by the Secretary, shall notify persons of their election to office as a members of the Board of Trustees or as an officer of the Foundation.

Section 5.14. The Treasurer shall supervise the fiscal and monetary affairs of the Foundation. Acting with the finance Committee, the Treasurer shall formulate and recommend to the Board of Trustees sound financial policies to guide the Foundation.

Section 5.15. Trustees may participate in a meeting by means of a conference telephone, email interaction or similar communications equipment with the assurance that a quorum of Trustees participate by these means. Participating in a meeting by these means shall be documented and confirmed at the next regular board meeting.

Section 5.16. Trustees shall not receive any stated salary for their services as Trustees. They may, however, be reimbursed for out-of-pocket expenses incurred from time to time in the operation of the corporation's stated business.

ARTICLE VI. FISCAL YEAR

Section 6.01. The fiscal year for the Foundation shall commence November 1 and end October 31 of each year.

Section 6.02. Books of account should be kept by the treasurer and shall at reasonable times be open to inspection by any Member of the Foundation. Annual financial reports shall be prepared and shall present, in reasonable detail, the financial activities of the Foundation. In addition, the Foundation shall comply with all applicable laws and regulations with respect to audits.

Section 6.03. The Chairman shall submit to the Board of Trustees, not later than January 31 each year, a full and detailed operational and financial report covering the preceding fiscal year.

ARTICLE VII. COMMITTEES OF THE BOARD OF TRUSTEES

Section 7.01. The Committees of the Board of Trustees shall be Standing and Special. The Chairman shall appoint the members of all Standing Committees, as well as the Chairman thereof, and the membership of two or more Standing and Special Committees may consist of the same members and meetings of such Committees may coincide. Except to the extent hereinafter otherwise indicated, members of Committees need not be Members of the Foundation nor Trustees. Special Committees may be created by the Board of Trustees for matters not within the responsibilities of Standing Committees and the Board of Trustees shall appoint such Committee members and their Chairman. Special Committees shall limit their activities to the accomplishment of assigned tasks and shall have no power to act except as is specifically conferred by action of the Board of Trustees. Special Committees will remain in effect until discharged by the Board of Trustees. All Committees are responsible to the Board of Trustees.

Section 7.02. The Standing Committees shall be:

- (a) Executive; and
- (b) Finance.

Section 7.03. The Executive Committee shall consist of the officers of the Foundation. The Executive Committee shall meet at the call of the Chairman. The Executive Committee shall have the power to transact all regular business of the Foundation during the interim between the meetings of the Board of Trustees, providing any action taken shall not conflict with the policies of the Board of Trustees.

Section 7.04. The Finance Committee shall consist of at least three (3) Trustees, including the Treasurer, who shall act as Chairman, and shall be responsible to the Board of Trustees for the supervision of all the funds of the Foundation.

(a) The Committee shall provide:

(i) That all endowment, trust and capital funds be deposited with one or more trust companies, banks, brokerage firms, or comparable financial institutions duly authorized to conduct such business in the state and reports on such investments shall be received from time to time.

(ii) That both principal and income from endowment, trust and capital funds are used in accordance with the terms of the purpose for which they were established.

(b) The Committee shall prepare and submit to the Board of Trustees at its last meeting before the end of the fiscal year, a proposed budget showing expected receipts and income for the ensuing year.

(c) The Committee shall examine annually and as often as it may consider it necessary, the securities of the Foundation.

(d) The Committee shall prepare financial statements of the Foundation in the form prescribed by the Board of Trustees. It shall also recommend proper investment of accumulated funds.

(e) The Committee shall conduct an annual review of all insurance policies and shall renew, negotiate and recommend purchase of such coverage as is necessary to protect the assets of the Foundation. In reviewing risks to be insured, the Committee shall be assisted by the Chairman who shall make suggestions concerning hazards arising out of the real estate, equipment, supplies, personnel, and activity.

(f) The Committee shall cause a financial statement to be made annually of all books of receipts and disbursements and a report to be made to the Board of Trustees.

Section 7.05. The Board of Trustees may create additional Standing Committees, as it deems appropriate. Amendment of the Bylaws is not necessary to create these additional Standing Committees.

ARTICLE VIII. CONTRACTS, CHECKS, AND DEPOSITS

Section 8.01. The Board of Trustees may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Foundation and such authority may be general or confined to specific instances.

Section 8.02. All checks, drafts or other order for the payment of money, notes, or other evidences of indebtedness issued in the name of the Foundation shall be signed by such officer or officers, agent or agents of the Foundation and in such manner as shall from time to time be determined by the Board of Trustees.

Section 8.03. All funds of the Foundation not otherwise employed shall be deposited from time to time to the credit of the Foundation in such banks, trust companies, or other depositories as the Board of Trustees may designate.

ARTICLE IX. RESPONSIBILITY OF TRUSTEES

Section 9.01. A Trustee shall stand in a fiduciary relation to the Foundation and shall perform his duties as a Trustee, including his duties as a member of any committee of the Board of Trustees upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Foundation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his duties, a Trustee shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared by any of the following:

- (a) One or more officers or employees of the Foundation whom the Trustee reasonably believes to be reliable and competent in the matters presented.
- (b) Counsel, public accountants or other persons as to matters which the Trustee reasonably believes to be within the professional or expert competence of such person.
- (c) A Committee of the Board of Trustees upon which he does not serve, duly designated in accordance with law, as to matters within its designated authority, which the Trustee reasonably believes to merit confidence.

Section 9.02. A Trustee shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause his reliance to be unwarranted.

Section 9.03. In discharging the duties of their respective positions, the Board of Trustees, Committees of the Board of Trustees and individual Trustees may, in considering the best interests of the Foundation, consider the effects of any action upon employees, suppliers and customers of the Foundation and upon communities in which offices or other establishments of

the corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of this section.

Section 9.04. Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Trustee or any failure to take any action shall be presumed to be in the best interests of the Foundation.

Section 9.05. A Trustee shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

(a) The Trustee has breached or failed to perform the duties of his office under this section.

(b) The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

The provisions of this section shall not apply to:

(a) The responsibility or liability of a Trustee pursuant to any criminal statute;

or

(b) the liability of a Trustee for the payment of taxes pursuant to local, state,

or federal law.

ARTICLE X. FIDELITY BONDS, INSURANCE, INDEMNIFICATION OF TRUSTEES, OFFICERS AND OTHER PERSONS

Section 10.01. Such officers, Trustees and employees of the Foundation, as the Board of Trustees shall designate, shall be covered by bonds of fidelity, secured from a guaranty company, in amounts determined and approved by the Board of Trustees. The Foundation shall defray the cost of any fidelity bond so required.

Section 10.02. Liability insurance may be secured covering the Trustees, officers, employee and agents as the Board of Trustees shall designate in amounts determined and approved by the Board of Trustees.

Section 10.03. This Foundation shall, to the full extent permitted by the Non Profit Corporation Law of the Commonwealth of Pennsylvania or other applicable law, as amended from time to time, defend and indemnify against any liability not covered by liability insurance or other insurance any person who was or is a party or is threatened or made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Foundation), including anti-trust, civil rights and punitive damage claims, by reason of the fact that he or she is or was a Trustee, officer, employee or agent of this Foundation designated to receive this protection, or is or was at the request of this Foundation a Trustee, officer, employee or agent of another corporation, Partnership, joint venture or enterprise, and as such, designated to receive this protection.

Section 10.04. Unless ordered by a court, any indemnification from a third party or derivative action claim shall be made by the Foundation in the specific case upon determination that indemnification is proper in this circumstance because the applicable statutory standard of conduct has been met by acting in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Foundation. Such determination shall be made by the members of the Foundation.

ARTICLE XI. TRANSACTION REQUIRING MEMBERSHIP APPROVAL

Section 11.01. Notwithstanding anything in these Bylaws to the contrary, neither the Board of Trustees of this Foundation nor any officer or employee thereof may take any of the following actions without the approval of the Members of the Foundation, to wit:

- (a) Merger, consolidation or dissolution of the Foundation; and
- (b) Amendment or restatement of the Articles of Incorporation or the Bylaws of the Foundation.

ARTICLE XII. DISSOLUTION OF THE FOUNDATION

Section 12.01. The Foundation may dissolve by resolution of the Board of Trustees, which resolution must be concurred in by not less than a majority of the Members of the Foundation. The manner of dissolution shall be as required by the law of the United States, of the Commonwealth of Pennsylvania, the official acts of the Board of Trustees as well as the Foundation's Articles of Incorporation.

Section 12.02. Upon dissolution, the Foundation's assets shall be distributed to an organization or organizations which is or are organized exclusively for charitable, scientific or educational purposes, or any of them, and which shall be qualified as an organization exempt from taxation under Section 501 (a) of the Internal Revenue Code of 1954, as amended, and as an organization contributions to which are deductible for federal income tax, income, estate and gift tax purposes, to be used by such organization or organizations for the above stated purposes as more specifically provided in the Foundation's Articles of Incorporation.

ARTICLE XIII. AMENDMENTS

Section 13.01. These Bylaws may be amended at any regular or special meeting of the Members (as defined in Article III) by an affirmative vote of said Members, provided that notice of the proposed amendment shall have been included in the written meeting notice for such meeting.

Section 13.02. These Bylaws and any amendments thereto shall become effective upon approval thereof and adoption by said members and all inconsistent Bylaws previously adopted shall thereupon be and become superseded and repealed.