

LEWES YACHT CLUB MEMBERSHIP RULES

CLUB FEES

(These fees are subject to change.)

Waiting List Application Fee	\$ 100.00
Annual Dues	\$ 900.00
Stock (100 shares; par value \$5/sh.)	\$3000.00
Initiation Fee	\$1000.00
Clubhouse (Dining) Minimum	\$300.00(annual fee)
Late Fee (Annual Billing)	\$200.00
Leave of Absence Fee/Yr.	\$150.00

Payment of the annual dues by a member entitles the member, spouse, and/or immediate family (children under the age of 30) to the use, during scheduled hours, of the clubhouse, pool, sailing facilities and boat ramp. Certain Club facilities (such as the pool and the marina) have special rules for other family members such as grandchildren.

Consult the appropriate rules for the details.

Voting in the club is based on shares of stock owned (issued and not issued).

LYC will accept credit card payment of dues/minimum bills (only those credit cards currently accepted at the Clubhouse). There will be \$50 added to the amount owed to cover expenses incurred with each credit card payment of membership fees.

In memberships resulting from a divorce the new member will be required to purchase the required additional stock at its par value of \$5/share.

The stock is redeemable within one year after resignation, upon request, at its stated par value. When a member relinquishes their membership, the stock will be redeemed at its \$5/share par value (thus giving the member a tax loss for that year if they had paid the full \$3000 for the stock per 2003 IRS rules).

GUIDELINES FOR MEMBERSHIP

1. LYC admits new members without regard to national origin, race, religious preference, gender, or gender preference. If there is a written expression of concern by a member of LYC (which shall be kept strictly confidential) that a proposed new member would not be compatible with the current membership, the Membership Committee and the Board will consider that concern before granting membership status. The Membership Committee and/or the Board of Directors may require an interview of any applicant or their sponsors before approving a membership. Should the applicant be rejected by the Board as a new member, a letter will be written by the Membership Chairman and the Commodore informing the applicant of the Board's action and all monies submitted by the applicant during the membership process will be returned to the applicant.
2. At the beginning of each fiscal year, the next 40-50 names on the waiting list will be advertised in the newsletter as potential new members. The membership will be strongly encouraged to provide the Board and/or the Membership Committee with feedback on any name on the advertised list.

3. An invitation to join the Club will be extended by certified mail. A membership will be granted, without further advertisement, when a completed, satisfactory application with the appropriate fees has been received and the Board has voted its approval of the applicant.
4. No person can become a member of the Club on his own unless he/she has reached the age of 18 years.
5. All fees owed by a member are due and payable at the time of service or at the time of presentation of a bill.
6. The only JOINT membership recognized by the Lewes Yacht Club is one of married members. The marriage must be recognized by the laws of the State of Delaware as a legally valid marriage.
7. Membership rights belong only to the individual(s) whose name(s) is/are on the Lewes Yacht Club stock certificate.

CO-HABITOR RELATIONSHIPS/DESIGNATED MEMBERS

As of April, 2008, the only new joint membership in the Lewes Yacht Club will be for married couples. The marriage must be one recognized by the laws of the State of Delaware.

If a co-habiting couple (if both names had been listed on the Waiting List application) comes up for membership after moving up the waiting list, they will be offered membership as individuals. Each would be required to pay the full amount of the new member fees. Should a co-habiting couple decide that only one member of the couple will become an LYC member, the one becoming an LYC member may designate the other member of the relationship as a “designated member” for as long as the relationship continues at no additional cost. Similarly, a single member may select another individual as their “designated member” for as long as the LYC member wishes. A single member may designate either a “designated member” or a “special guest” (see below under “Guests of Members”) but not both. Indication of a member’s choice of a “Designated Member” must be in writing and sent to the Membership Chair, Lewes Yacht Club, P.O. Box 2, Lewes, DE 19958 for approval by the Board.

“Designated Members” have all the privileges and responsibilities of a regular member except as below:

1. the right to vote in LYC elections
2. the right to hold an LYC office
3. the right to sponsor new LYC members
4. the right to designate a “special guest”
5. the right to pass on (or retain) their membership privileges when their relationship with the LYC member ends.

MEMBERSHIP WAITING LIST

The club membership has a maximum of 575 Active memberships. Life memberships, Senior memberships and members on Leave of Absence do not count towards the

maximum membership number. A waiting list for memberships is maintained by the Membership Committee. There is a *nonrefundable* fee of \$100 for a name to be placed on the Waiting List. A person on the waiting list has no membership privileges. As membership vacancies occur, the persons on the waiting list (on a “first-come first-served” basis) are invited to submit membership application forms along with the initiation fee, first year’s dues and total purchase of one hundred (100) shares of stock. All fees are subject to change. The fees in effect when a person is placed on the waiting list and the fees in effect when a person becomes eligible for membership MAY NOT be the same. Fees current at the time of invitation will be required of a new member. An applicant may decline the membership invitation and ask to be placed again at the bottom of the waiting list without payment of an additional fee; an applicant may repeat the process more than once without penalty or further fee. If an applicant declines to either join LYC or to be placed at the bottom of the waiting list, then the fee paid to be placed on the waiting list is forfeited by the applicant and the applicant’s name will be dropped from any further consideration for membership.

MEMBERSHIP APPLICATION

Membership Applications must be in the name of one individual or a husband and wife. When submitting a membership application and the required fees (annual dues, stock purchase and initiation fees; for exceptions pertaining to Senior and Legacy memberships, see below- “*Children of Members*” and “*Senior Membership*”), the applicant must have two members in good standing sign as his sponsors (each of the two sponsoring members must have a **separate** membership number). The applicant must complete a brief autobiographical sketch and submit it with the application. The applicant’s sponsors may be asked to submit written statements regarding the applicant. All new memberships will be approved by the Board of Directors.

LATE PAYMENT OF DUES OR ANY ANNUAL FEE

Shortly after the passing of the due date for paying *all* fees, (October 31; postmark) a delinquent member will be notified by certified mail (the Second Notice) that he/she will be dropped from the Club rolls unless full payment (including the penalty fee) is received before the date specified in the notice. The Second Notice will show the amount due including a \$200.00 penalty fee. The member must pay the amount due shown on the Second notice, in full, before the due date specified. Partial payments will not be accepted. If a member sends in an amount less than the total amount specified in the Second Notice, that payment will be refused and returned to the member by mail, advising the member that the full amount must be paid by the due date that was specified in the Second Notice. If feasible, electronic (e-mail) notification of annual fees delinquency will be attempted. If the member fails to pay the full amount due by the date (postmark) specified in the Second Notice, the member will be dropped from membership without further notice. If a member loses their membership in this manner and wishes to renew their membership, they must meet all the requirements of a new member including being placed on the waiting list for membership and paying initiation fees at the time their name comes up for invitation.

CHILDREN OF MEMBERS

The child of any member of LYC who is under the age of 30 years may seek membership at any time during the Club calendar year and will be given priority for membership over those who are on the waiting list; they may purchase their required shares of the corporate stock which shall be billed to the legacy member at the beginning of the fiscal year following the year of their becoming a member (if the child was under 21 at the time the member parents joined LYC, they will purchase their stock at par value (\$500); if the child was 21 or older at the time their parents joined LYC, they will pay the then current cost of the stock). Similarly, if the new legacy member was under 21 years of age when their parents joined LYC, they will not pay the initiation fee, if they were 21 years old or older when their parents joined LYC, they will pay the then current initiation fee. The child must meet all other requirements for membership and the failure to complete the stock purchase in a timely fashion shall result in termination of their membership. All Legacy privileges end on the child's 30th birthday.

A married "Legacy child" of a member, or the parents of a married "Legacy child", may request "special guest" privileges for the spouse of the "Legacy child"; the request must be renewed annually and said spouse would be subject to all of the restrictions of a "Special Guest" as outlined elsewhere in these rules. This privilege would expire on the 30th birthday of the "Legacy Child", if the privileges were not renewed annually or when the "Legacy Child" became a member of LYC.

DIVORCED SPOUSES

A joint membership consisting of husband and wife may be split into two separate memberships upon divorce. The affected spouse(s) must notify the Membership Committee that he/she wishes to continue with a separate membership BEFORE the end of the membership year (September 30) in which the divorce becomes final. The divorced spouse may join the club without regard to the waiting list and is not required to pay an initiation fee, but is required to pay the usual annual membership fees for his/her single membership. The two separate memberships are each required to have 100 shares of stock (i.e. 100 additional shares of stock will have to be purchased at par value).

LEAVE OF ABSENCE

A Leave of Absence of up to three years (not necessarily consecutive years) may be taken by any member during that member's lifetime. While on Leave of Absence, the member will pay an annual \$150 fee (subject to the same late fee requirements as described above). During a Leave of Absence, a member or any member of their family may NOT use the Club facilities except as a guest of a member. Such guest privileges are subject to the "six visit rule" as with any other guest. During a Leave of Absence, a member's Marina Privileges (i.e. their position on the waiting list for a slip and/or continuation of slip rental) will be at the discretion of the Marina Committee with Board approval. Leaves of Absence will commence at the start of the fiscal year for one year and may not

be started at any other time. Upon return from a Leave of Absence, the member is responsible for any assessments or stock issues occurring during the period of the Leave of Absence. Members on Leave of Absence will not be counted amongst the rolls of Active Members for purposes of determining the limits of club membership. Special exceptions may be granted by the Board. All Leaves of Absence must be reviewed and approved by the Board.

TERMINATION OF MEMBERSHIP

Members who, for reasons beyond their control, terminate their membership in the Club within two years of paying their initiation fees, may petition the Board for return of a portion of the initiation fee. The decision whether to refund any portion of the initiation fee is totally within the discretion of the Board and their decision will be final.

Individuals whose membership has been terminated and subsequently seek admission to the Club shall be required to meet the full requirements of a new member and they will not receive priority in membership when an opening occurs.

RECIPROCAL AGREEMENT

Members of other Yacht Clubs having a reciprocal agreement with the Lewes Yacht Club are entitled to visit the Lewes Yacht Club six (6) times per calendar year.

SENIOR MEMBERSHIP GUIDELINES

1. At least one member of a membership must be at least 75 years of age
2. Senior members will not be responsible for a food minimum
3. Senior members will retain all the rights and privileges of an Active member
4. Senior members will not be counted as Active members for purposes of determining membership limits.
5. Senior members dues will be less than the dues of Active members
6. Senior members may be assessed, as may Active members, at the discretion of the Board of Directors
7. It will be the responsibility of the potential Senior Member to notify the Membership Committee, in writing, of their qualifications to be granted Senior Membership (proof of age such as driver's license).
8. Should a new member qualify for Senior Membership upon joining the LYC, they will be required to pay the then current Senior Membership dues and not the dues of an Active member.
9. In the event of the death of a Senior Member, the privileges of Senior Membership shall pass on to the surviving spouse unless the surviving spouse remarries and neither person of that union qualifies for Senior Membership; in that case the surviving spouse and the new spouse will become Active, not Senior, members.

For purposes of billing, a Senior Membership must be 75 years on or before October 1 of the current membership year and notify the Committee in writing of their qualification as

a Senior Member no later than September 1. No pro-ration of Senior Membership dues will be done.

LIFE MEMBERSHIP GUIDELINES

1. Active dues paying member for no less than 25 years and at least **70** years of age at the time of his/her nomination for Life Membership.
2. Must have performed *exemplary* service over the individual's membership in the Lewes Yacht Club which will be summarized by the Life member's sponsor at the time of a *written* proposal of the member for life membership.
3. It is recommended no more than 1 Life Membership may be granted in any Club year.
4. Life Members will not be counted as an Active Member when deciding whether or not to admit a new member from the waiting list
5. To become a Life Member, a candidate must have a 2/3 vote of all of the Board of Directors.
6. Life members will be proposed to the Board of Directors annually at the August meeting of the Board so they may be introduced as Life Members at the Annual Meeting of the Membership.
7. Any member of LYC may propose a member of LYC for Life Membership providing such proposal is submitted in writing to the Membership Committee no later than June 15. This proposal is to include not only the identity of the person to be considered for Life Membership but also a detailed justification for granting Life Membership.
8. It is suggested that the Board discuss and vote on Life Members in Executive Session. The Membership committee will ascertain that the candidate for Life Membership is willing to accept the honor if it is offered.
9. Life Members will not be required to pay annual dues, and clubhouse (dining) minimums but will be required to participate in any stock purchase payments or assessments required by the Board.

GUESTS of MEMBERS

No person shall be entitled to the privileges of the Club, or be admitted to the Clubhouse or grounds, unless they are a member of the Club or have been introduced as a guest in accordance with these Membership Rules.

Guests of the Club are those persons who may be admitted to the grounds or to the Clubhouse when accompanied by a member. An individual member may bring up to seven guests to the Club at any one time

No member to whom the privileges and use of the Club have been denied, no member suspended, no former member expelled from the Club under these Membership rules and no individual denied Membership in the Club (includes those individuals urged by the Board to withdraw their name from consideration for Club membership in the probability of denial of Club membership by the Board) shall be entitled to the privileges of a guest. Individuals denied Membership (see previous sentence) may attend functions at LYC that are open to the public (such as private parties, the craft show, swimming competitions in which family members are competing, sailing races and lessons).

A Member shall be responsible for the conduct of, and for the debts to the Club incurred by, any person introduced as their guest.

Any member may bring a guest to LYC to use any of the Club's facilities providing that they accompany the guest at all times while the guest is on LYC property. No nonmember may be a guest of any member of LYC more than six times in a club year with the exception as noted in the following paragraph or unless special circumstances have been approved by the Board.

Unmarried members owning 100 shares of LYC stock may designate one guest per year who will not be subject to the six visit per year limitation. The member's designee must be registered yearly in writing at the time of dues payment. The "guest" must be accompanied by the member when using LYC facilities. The "guest" will have no membership privileges. The "guest" may not bring other guests to LYC. Upon removal of the "guest" designation, the "guest" will have no membership rights of any kind.

A married "legacy child" of a member, or the parents of a married "legacy child", may also request special guest privileges for the spouse of the "legacy child". The request must be renewed annually and said spouse would be subject to all of the same restrictions of a special guest as outlined elsewhere in these rules. This privilege would expire when the "legacy child" reached their 30th birthday, if the privileges were not renewed annually or when the "legacy child" became a member of LYC.

Grandchildren of members under the age of 18 years shall treated as members as long as they are physically accompanied by a member grandparent

CONTRACTS FOR CLUB FACILITIES

When a member desires to contract for the use of the Club facilities for specific events, the member may do so only upon permission being first granted by the appropriate Committee. The fee set by the Board of Directors and recorded in the Secretary's minutes will be the rental fee charged the member for the event.

Guidelines for Managing Member Complaints & Screening of New Member Applicants

The following are to be used as guidelines in deliberations concerning complaints brought by any LYC member, Committee, or the LYC Board against a member. They are also for use in considering any applicant for membership about whom there is a concern about that individual's acceptability as a member of LYC. The list of issues is NOT to be considered all inclusive NOR are the possible actions listed to be considered all the actions that may be required by the Board of Directors.

- Issues-
1. Conviction of nonviolent crime- A, B, C, D, E
 2. Repeated convictions of nonviolent crime-A, B, C, D, E
 3. Conviction of violent crime- D, E
 4. Conviction of child abuse or molestation- D, E
 5. Abuse of LYC staff or LYC regulations- A, B, E
 6. Repeated abuse of LYC staff or LYC regulations- B, C, D
 7. Nonpayment of monies owed by a member to LYC- A, B, C, D
 8. Physical confrontation on LYC grounds- A, B, C, D, E
 9. Repeated physical confrontation on LYC grounds- C, D, E
 10. Adverse notoriety that names LYC or involves LYC- A, B, C, D, E
 11. More than one letter of reprimand in five years- C, D
 12. More than one suspension in a five year period- D

- Actions-
- A- No action
 - B- Letter of Reprimand
 - C- Suspension (up to one year)
 - D- Expulsion
 - E- Denial of Membership

May, 2008