

**BELT'S WHARF LANDING YACHT CLUB, INC.
BYLAWS**

BYLAWS

OF

BELT'S WHARF LANDING YACHT CLUB, INC

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ARTICLE I

Principal Office and Place of Business

Section 1. Principal Office. The principal office of the Club in the State of Maryland shall be located in Baltimore City, State of Maryland, at Suite 112, 960 Fell Street, Baltimore, Maryland 21231, or at such other place or places as may from time to time be designated by the Board of Directors.

Section 2. Additional Offices. The Club may have additional offices at such places as the Board of Directors may from time to time determine or the business of the Club may require.

ARTICLE II

Definitions

The following terms have the following meanings whenever used throughout these Bylaws:

Articles of Incorporation: The document filed for record and accepted by the Maryland State Department of Assessments and Taxation, establishing the Club as a corporation organized for the purpose of providing a club and marina facilities to the Members of the association, and providing the Club with all of the powers, purposes and objectives set forth in the Articles of Incorporation, as amended from time to time.

Board of Directors (or "Board"): The executive and administrative entity of the Club, designated or elected as provided in the Articles of Incorporation and these Bylaws to act for and direct the affairs of the Club in the interests of the Members.

Bylaws: These Bylaws, established for the purpose of managing and directing the affairs of the Club, and such amendments hereto as may be made from time to time in accordance with the Articles and these Bylaws.

Certificate: The membership in the Club which is evidenced by a Certificate reflecting a member's Class A or Class B membership in the Club. Each membership shall entitle the Member to the use of all Club facilities and the use of a Slip. There shall be a separate membership Certificate issued with respect to each Class A and Class B membership.

Club: Belt's Wharf Landing Yacht Club, Inc.

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Club Fees: The estimated amount which the Club Members shall from time to time in their judgment determine to be necessary or proper for (a) the operation, maintenance, care, alteration and improvement of the Marina during the year or portion of the year for which such determination is made; (b) the creation of such reserves as it may deem proper; and (C) the payment of any obligations, liabilities or expense incurred (even though incurred during a prior period) or to incurred.

Common Areas: All of the piers and docks and other common facilities of the Marina servicing more than one (1) slip; the Club will assume the responsibility for operating and maintaining and replacing the Common Areas.

Deed: The Trustees' Deed dated August 13, 1992 and recorded among the Land Records of Baltimore City, which inter alia, grants the Club certain rights to use the riparian rights appurtenant to the Land, and which grants to the Club certain easements over the real property located adjacent to the Marina.

First Lien: The first security interest of a Lender in a Member's membership interest, and in the Certificate and Membership Agreement.

First Lien Registration: Notification to the Club by a Lender of the existence of a First Lien, in accordance with Article X, Section 7 hereof.

Land: The land and improvements thereon (if any) located at 960 Fell Street, Baltimore, Maryland, and described by metes and bounds in the Deed, and being adjacent to the Marina.

Lender: A lender that has financed a Member's purchase of his membership interest in the Club and his rights under a Membership Agreement, and that holds a First Lien on that Member's Membership Agreement and membership interest as evidenced by the Certificate.

Managing Agent: The person or entity employed by the Club at the direction of the Board of Directors to perform such duties as the Board of Directors may authorize.

Marina: All of the real and personal, tangible or intangible property leased or owned by the Club including any piers and including Slips.

Marina Plat: The plat of the Marina prepared or intended to be prepared by the Club, as amended from time to time, which identifies by number all existing Slips. All proposed slips and improvements, if any, are shown thereon for purposes of illustration only, and no Member or other person or entity may rely upon such illustrations nor acquire any rights thereby. The Board of Directors shall keep a current Marina Plat at the offices of the Club, modified to show all additions and changes to the Marina from time to time.

Marina Rules: The published rules and regulations for the use and operation of the Marina and of the Club as adopted from time to time by the Board of Directors.

Member: The person or entity which is a member of the Club in accordance with the Articles of Incorporation.

Membership Agreement. The Agreement by and between the Club and the Member which governs the terms and conditions of membership.

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Membership Lien: The perfected security interest of the Club in a Membership Agreement and the Membership of a Member, as evidenced by the Membership Agreement and membership Certificate, and publicized by the financing statement and security agreement (if any) executed by the Member.

Membership Loan: An advance of money by a Lender to a Member with a promise to repay, secured and collateralized by a pledge, security interest, lien, assignment or other hypothecation or transfer of the membership in the Club as evidenced by the Certificate, and of the Membership Agreement.

Membership Rights: All of the rights granted to a Member by the Club from time to time, including but not limited to the right to participate in all educational, social and recreational Club functions, the use and enjoyment in common with other members of the Marina facilities now existing or hereafter constructed, including by example and not limitation, such dining areas, piers, docks, wharves and related facilities, if any, and specifically including the exclusive right to the use and enjoyment of a specific Slip designated by the Club.

Occupant: Any legal person or persons (including a partnership and corporation) including Members and persons authorized by a Member, occupying and using any Slip in the Marina.

Officers: The persons elected by the Board of Directors pursuant to the Bylaws to perform such duties as are specified in the Bylaws and by the Board of Directors.

Partnership: Belt's Wharf Landing Limited Partnership, a Maryland limited partnership, and its successors and assigns.

Proportionate Share: The portion of Club Fees payable by each Class A Member as determined by the Board of Directors from time to time based on the type and size of the Slips.

Replacement Reserve Fund: The repair and replacement reserve fund, if any, established by the Club and maintained in accordance with the Bylaws, to be used as a repair and replacement fund and for other appropriate corporate purposes as determined by the Board of Directors in accordance with these Bylaws.

Reserve for Working Capital Fund: The reserve for working capital fund, if any, established by the Club and maintained and used for working capital and other corporate purposes in accordance with these Bylaws.

Slip: An individual boat slip in the Marina, consisting of an area of water bounded by "finger" piers, the main pier and/or the promenade, and identified by a slip number on the Marina Plat. The area in the water comprising a Slip shall include any replacement in the event of replacement after such alteration.

Special Charges: Costs incurred and/or assessed by the Club and owed by a Member for utilities separately metered to such Member's Slip or as otherwise assessed by the Board of Directors pursuant to the Bylaws and the Membership Agreement.

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ARTICLE III

Meetings of Members

Section 1. Annual Meeting: The annual meeting of the Members of the Club, for the election of directors and for such other business as may properly come before such meeting, shall be held during the month of April in each year, on a date and at such time and place as may be designated by the Board of Directors. The notice of the meeting shall be in writing and signed by the President or a Vice-President or the Secretary or an Assistant Secretary and shall include the proposed agenda for the meeting. Such notice shall state the time and the place within the State of Maryland where it is to be held, and the Secretary shall cause a copy thereof to be delivered personally or mailed to each Member of record of the Club entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before the meeting. If mailed, it shall be directed to each such Member at the Member's address as it appears on the records of the Club, unless the Member shall have filed with the Secretary of the Club a written request that notices intended for the Member be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 2. Special Meetings: Special meetings of Members other than those the calling of which is regulated by statute, may be called at any time by the President and Secretary or by a majority of the Board of Directors. It shall also be the duty of the Secretary to call such meetings whenever requested in writing to do so by Members owning at least twenty-five percent (25%) of all votes entitled to be cast. The Secretary shall cause a notice of such special meeting stating the time, place (within the State of Maryland), and purpose thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 1 of this Article to each Member of record of the Club entitled to vote at such meeting and each other Member of record of the Club entitled to notice not less than ten (10) nor more than forty (40) days before such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless the holders of all the outstanding Certificates be present thereat in person or by proxy.

Section 3. Waiver of Notices: Each Member who is entitled to notice shall have waived notice if he duly executes in writing and files with the records of Members' meetings a waiver of notice of the time, place, and purpose of such special meeting either before or after said meeting, or is present at said meeting in person or by proxy.

Section 4. Quorum; Adjournments: At each meeting of Members, Members representing, in person or by proxy, twenty—five percent (25%) of the votes entitled to be cast shall constitute a quorum; in case a quorum shall not be present at any meeting, the meeting may be adjourned to some future time and place by a majority vote of all votes represented at such meeting at which a quorum is not present. Notice of the time and place of the adjourned meeting shall be given in the same manner as notice of special meetings. At such adjourned meeting the quorum requirement shall be reduced to fifteen percent (15%) and if a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. The Members present at a meeting which has been duly called and convened and at which a quorum is present at the time counted may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

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Section 5. Voting: At each meeting of Members, and except as provided in the Articles of Incorporation, each Class A Member shall be entitled to one (1) vote for each separate membership interest owned by him. Each Class B member shall be entitled to three (3) votes for each separate membership interest owned by it. Proxies shall be in writing duly signed by the Member but need not be acknowledged or witnessed, and the person named as proxy by any Member shall be a Member, or his duly authorized attorney-in-fact. Unless the proxy provides otherwise, it shall not be valid more than eleven (11) months after its date. Voting by Members shall be by voice vote unless at least one-third of the Members present at the meeting, in person or by proxy, demand a vote by written ballot, in which case the voting shall be by ballots and each ballot shall state the name of the Member voting and the name of the proxy of such ballot if cast by a proxy. Except as otherwise specified in the Articles of Incorporation, the affirmative vote of a majority of the votes represented at any meeting of Members at which a quorum is present shall be necessary for the transaction of any item of business and shall constitute the act of the Members. Where the ownership of one or more shares is in more than one person, all the owners thereof shall collectively be entitled to the vote entitled to be cast, and they shall designate in writing an individual who shall cast the vote on their behalf.

Section 6. Order of Business: So far as is consistent with the purpose of the meeting, the order of business of each meeting of Members shall be as follows:

- (1) Call to order;
- (2) Presentation of proofs of due calling of the meeting;
- (3) Proof of quorum;
- (4) Reading of minutes of previous meeting or meetings, unless waived;
- (5) Reports of officers and committees;
- (6) Appointment or election of inspectors of election, if requested;
- (7) If the annual meeting or a special meeting called for that purpose, the election of directors;
- (8) Such other business as shall be prescribed by the public or published agenda; and
- (9) Adjournment.

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ARTICLE IV

Directors

Section 1. Numbers: Tenure: The number of Directors of the Club shall be five (5).

By vote of the majority of the entire Board of Directors at any duly called meeting, the number of Directors established by the Articles of Incorporation or by these Bylaws may be increased or decreased from time to time to a number of Directors not exceeding seven (7) nor less than the minimum number required by the applicable provisions of the Maryland General Corporation Law, provided that the tenure of office of a Director shall not be affected by any decrease in the number of Directors so made by the Board and further provided that the number of Directors shall always be an odd number, except that the number of Directors may be an even number if the number of Directors becomes an even number by reason of deaths, disability, removal or resignation of a Director or Directors.

Notwithstanding any of the foregoing provisions of this Article each Director shall serve until his successor is elected and qualified or until his death, retirement or resignation.

Section 2. Election: The Directors shall be elected at the annual meeting of Members or at a special meeting called for that purpose as provided by law or by these Bylaws by a plurality of votes cast at such meeting.

Section 3. Quorum: A majority of the Directors then authorized by these Bylaws shall constitute a quorum.

Section 4. Vacancies: Should a vacancy occur or be created, whether arising through death or resignation of a Director or through an increase in the number of Directors of any class, or otherwise, such vacancy shall be filled by a majority vote of the remaining Directors, or, if none, by a majority of the entire Board. A Director so elected to fill a vacancy shall serve until the next annual meeting of Members and until his successor is duly elected and qualified.

Section 5. Meetings: The Board of Directors shall meet as soon as practicable after the annual meeting of Members and also whenever called together by any officer of the Club or upon the written request of any two (2) Directors then holding office, upon notice given to each Director, by delivering personally, mailing, or telegraphing the same to him at least two (2) days prior to such meeting at the last address furnished by him to the Club. Regular meetings may be held without notice at such times and places as a majority of the Board of Directors may determine, but such meetings shall be held at least twice during each fiscal year. Any meeting of the Board of Directors at which all the Directors shall be present, or of which notice shall be duly waived by all absentees, either before or after the holding of such meeting, shall be valid for all purposes provided a quorum be present. Meetings of the Board of Directors may be held either at the principal office of the Club or elsewhere within the State of Maryland as provided in the notice calling the meeting, unless the Board of Directors by resolution adopts some further limitation in regard thereto. At all meetings of the Board of Directors, each Director shall be entitled to one (1) vote. The vote of a majority of the Directors present at the time of a vote of a duly constituted meeting at which a quorum is present shall be the act of the Board of Directors, except as may be otherwise provided for in the Articles of Incorporation of the Club.

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The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the Board of Directors recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 6. Resignation and Removal: Any Director may resign at any time by written notice delivered in person or sent by certified or registered mail to the President or Secretary of the Club. Any Director whose removal has been proposed in accordance with and as permitted by the Articles shall be given at least fifteen (15) days' notice of the time, place, and purpose of the meeting and shall be given an opportunity to be heard at the meeting.

Section 7. Annual Cash Requirements: Club Fees: The Board of Directors shall from time to time, establish the Club Fees as provided under the Club's Membership Agreements. Subject to the provisions of Article X, the Board of Directors shall have discretionary power to prescribe the manner of maintaining and operating the Marina and the Common Areas thereof, which shall be paid as aforesaid by the Members under their respective Membership Agreements. Every such determination by the Board of Directors shall be final and conclusive as to all Members and any expenditures made by the Club's officers or its agents under the direction or with the approval of the Board of Directors shall, as against the Members, be deemed necessarily and properly made for such purpose.

Section 8. Marina Rules: The Board of Directors may, from time to time, adopt rules and regulations ("Marina Rules") as it may deem necessary with respect to the efficient use and operation of the Marina and of the Club for the health, safety, and convenience of the Members. Copies thereof and of changes thereto shall be furnished to all Members, who shall be bound by such Marina Rules as if said Marina Rules were set forth in these Bylaws and as otherwise may be provided in the Membership Agreements. Notwithstanding the above, no rules may be adopted or repealed or modified which would adversely affect the rights or privileges of the Partnership or the Class B Member under the Deed, the Charter or these By—laws.

Section 9. Enforcement of Marina Rules: In addition to exercising the rights and remedies set forth in these Bylaws and the Membership Agreements, the Board of Directors shall have the right to assess each Occupant, as a Special Charge, an amount up to \$50 for each violation of the Marina Rules committed by such Occupant. In the event of a violation that is in the nature of a continuing violation, the Board of Directors shall have the right to assess such Occupant up to \$50 per day, as a Special Charge, for each day the violation continues.

Section 10. Committees: The Board of Directors may by resolution appoint committees as it may deem appropriate. Such committees shall have and may exercise such of the powers of the Board of Directors in the management of the business and affairs of the Club during the intervals between the meetings of the Board of Directors as may be determined by the authorizing resolution of the Board of Directors and so far as may be permitted by law. No committee shall have power to determine or fix the cash requirements for the Club or the Club Fees as fixed by the Board of Directors.

Section 11. Salaries: No salary or other compensation for services shall be paid to any Director of the Club for services rendered as a Director unless and until any such payment shall have been authorized at a duly held meeting of Members, by the affirmative vote of a majority of the votes represented at such Members' meeting.

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Section 12. Powers and Duties: The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Club, and may do all such acts and things as are now or hereafter, by law, the Articles of Incorporation of the Club, and these Bylaws, directed to be necessary and done by the Club. The Board of Directors shall delegate to one or more of its members or to a person employed for such purpose the authority to act on behalf of the Board of Directors on such matters relating to the duties of the Managing Agent, which may arise between meetings of the Board of Directors as the Board of Directors deems appropriate. In addition to the duties imposed by these bylaws or by any resolution of the Members that may hereafter be adopted, the Board of Directors shall on behalf of the Club:

- (1) Prepare for adoption by the Members an annual budget, in which there shall be established the Club Fees and the Proportionate Share payable by each Member;
- (2) Provide for the operation, care, upkeep, and maintenance, and preservation of the property and services of the Marina and the Club;
- (3) Designate, hire, and dismiss the personnel necessary for the maintenance, operation, and repair of the Marina, and provide services for the Marina, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the property of the Club;
- (4) Collect the Club Fees, including the costs of collection, together with reasonable attorneys fees and costs necessary thereto, deposit the proceeds thereof in bank depositories, and use the proceeds to carry out the administration and operation of the Club;
- (5) Make and amend Marina Rules relating to use of Slips and the Marina;
- (6) Open bank accounts on behalf of the Club and designate the signatures thereon, and invest the funds of the Club for the benefit of the Club;
- (7) Make, or contract for the making of, repairs, additions, restoration, and improvements to or alterations of the Marina in accordance with these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, or as may otherwise be necessary;
- (8) Enforce by legal means the provisions of the Articles of Incorporation, these Bylaws, all Agreements, and the Marina Rules; including the right to satisfy the First Lien of a Lender against a defaulting Member and to exercise any and all legal rights and remedies of the Club against such defaulting Members;
- (9) Act on behalf of the Club with respect to all matters arising out of any eminent domain proceeding;
- (10) Obtain and carry insurance against casualties and liabilities, as provided in these Bylaws, and pay the premiums therefor and adjust and settle any claims thereunder;
- (11) Pay the cost of all authorized services rendered to the Club;

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- (12) Keep the books of the Club. Such books and vouchers shall be available for examination by the Members and Lenders, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Members. All books and records shall be kept in accordance with generally accepted accounting principles, consistently applied;
- (13) Borrow money or guarantee debts on behalf of the Club when required in connection with any instance relating to the acquisition, development, operation, care, upkeep, and maintenance of the Marina or other needs of the Club;
- (14) Approve the transfers of memberships provided that no transfer shall be approved unless no sums whatsoever are due the Club from the transferring Member and there is no default of any kind under these Bylaws, the Membership Agreement, the Marina Rules, or of any other obligations owed by the transferring Member to the Club. The Board of Directors may delegate its duty to approve transfers to the Managing Agent.

The Board of Directors may waive any default in connection with the approval of the transfer if such approval is conditioned upon the prompt curing of any such default prior to or concurrently with the completion of the transfer. The Members shall have the right without the necessity of approval by the Board of Directors to finance their membership interests, including but not limited to:

- (a) a pledge or collateral assignment of membership interest, a Certificate and a Membership Agreement to a Lender;
 - (b) a transfer of a Certificate and/or a Membership Agreement to a Lender pursuant to or in satisfaction of an exercise of said Lender's rights under its security instruments;
 - (c) the transfer from a Lender of any Certificate and Membership Agreement acquired pursuant to subparagraph (b) above; or
 - (d) a pledge or transfer of the Class B membership interests or Certificate.
- (15) Establish and promote educational programs, newsletters, yachting or boating events;
 - (16) Execute all documents necessary to implement or further the rights and privileges reserved or given to the Class B Member or the Partnership herein or in the Articles of Incorporation, or in the Deed.
 - (17) Do such other things and acts not inconsistent with the applicable laws of the State of Maryland, the Articles of Incorporation, and these Bylaws, which the Board of Directors may be authorized to do by a resolution of the Members.

Section 13. Managing Agent: The Board of Directors of and the Club may employ a professional managing agent to execute day-to-day management functions, including but not limited to maintenance and repair of the Marina, collection of Club fees, and enforcement of these Bylaws, and the Articles of Incorporation and a Member's Membership Agreement.

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ARTICLE V

Officers

Section 1. Election and Removal: The officers of the Club shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer. Such officers shall be elected at the first meeting of the Board of Directors after these Bylaws become effective, and thereafter at the regular meeting in each year following the annual meeting of Members, and shall serve until removed or until their successors shall have been elected. The Board of Directors may at any time or from time to time appoint one or more Assistant Secretaries and one or more Assistant Treasurers to hold office at the pleasure of the Board of Directors and may accord to such officers such power as the Board of Directors deems proper. Any officer may be removed at any time if the Board of Directors in its judgment finds that such removal would be in the best interest of the Club, by the affirmative vote of a majority of the then-authorized total number of Directors. Following the fourth anniversary of the date of incorporation, the President shall be a member of the Board of Directors, and shall be a (i) Member, (ii) the spouse of a Member, or (iii) an owner of an interest (whether stock, partnership or otherwise) in a Member, but none of the other officers shall be so required. One person may hold more than one (1) office at the same time except that the President and the Secretary may not be the same person. Vacancies occurring in any office may be filled by the Board of Directors at any time.

Section 2. Duties of President and Vice-Presidents: The President shall preside at all meetings of the Members and of the Board of Directors. The President or any Vice—President may sign in the name of the Club all contracts, leases, and other instruments which are authorized from time to time by the Board of Directors. The President, subject to the control of the Board of Directors, shall have general management of the affairs of the Club and perform all the duties incidental to the office. In the absence of the President or the inability of the president to act, the Vice-President who shall have served the longest tenure, or as otherwise selected by a majority vote of the Board of Directors, shall have the powers and perform the duties of the President.

Section 3. Duties of Treasurer: The Treasurer shall have the supervisory authority over the care and custody of all funds and securities of the Club and shall direct the deposit of such funds in the name of the Club in such savings and loan associations, secure investment funds, banks, or trust companies, federally insured, as the Board of Directors may determine and he shall perform all other duties incidental to his office. If so required by the Board of Directors, he shall, before receiving any such funds, furnish to the Club a bond with a surety company as surety in such form and amount as said Board of Directors from time to time shall determine. The premium upon such bond shall be paid by the Club. In the absence or inability of the Treasurer, the Assistant Treasurer, if any, shall have all the powers and perform all the duties of the Treasurer.

Section 4. Duties of Secretary: The Secretary shall keep the minutes of the meetings of the Board of Directors and of the meetings of Members and shall attend to the giving and serving of all notices of the Club and shall be empowered to affix the corporate seal, if any, to all written instruments authorized by the Board of Directors or these Bylaws. He also performs all other duties incidental to his office. He shall cause to be kept a book containing the names, alphabetically arranged, of all persons who are Members of the Club, showing respectively their places of residence, the number of Certificates held by them, and the date when they became Members. Such books shall be open for inspection as provided by law. In the absence or inability of the Secretary, the Assistant Secretary, if any, shall have the powers and perform all the duties of the Secretary.

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Section 5. Salaries: No salary or other compensation for services shall be paid to any officer of the Club for services rendered unless and until any such payment shall have been authorized at a duly held meeting of Members, by the affirmative vote of a majority of the votes represented by the Members present at the meeting.

ARTICLE VI

Membership Agreements

Section 1. Form: The Board of Directors shall adopt a form of Membership Agreement to be used by the Club to confer such Membership Rights, including the right of occupancy and use of all Slips in the Marina (except no Membership Agreement shall be required for use of Slips held by a Class B Member), which form the Board of Directors may alter or modify from time to time, and which may vary from one Class A Member to another. Such Membership Agreement shall be for such term and shall contain such restrictions, limitations, and provisions with respect to the assignment thereof, the assignment of the Slip, and the sale and/or transfer of the Membership Agreement and Certificate to which the Slip is appurtenant, and such other terms, provisions, conditions, and covenants as the Board of Directors may determine.

Section 2. Assignment of Membership Agreement or Transfer of Certificates; Assignments: Membership Agreements and Certificates shall be assigned or transferred only in compliance with, and shall never be assigned or transferred in violation of, the terms, conditions, or provisions of such Membership Agreements, the Articles of Incorporation and these Bylaws. Any assignment in violation thereof shall be null and void and of no effect. A duplicate original of each Membership Agreement shall always be kept on file in the principal office of the Club or with any Managing Agent appointed by the Club for the Marina. The Board of Directors shall adopt a form of assignment of a Membership Agreement to be used for all assignments of Membership Agreements.

The Secretary shall maintain a ledger of all assignments. No assignment of any Membership Agreement shall take effect as against the Club for any purpose until a written application, if any, required by the Board of Directors has been delivered to the Board of Directors and a new Certificate has been issued to the new Member; provided, however, that no consent of the Club shall be required in connection with any transfer to or from any Lender. The Club shall not consent to any assignment of a Membership Agreement or transfer of Certificates until all sums due have been paid to the Club, and all necessary consents have been properly obtained. The consent of all registered Lenders shall be required for the assignment of any membership or Certificate secured by such Lender. No person to whom the interest of a Member shall pass by operation of law shall be entitled to assign any Membership Agreement except in accordance with such Membership Agreement and these Bylaws. The Board of Directors may require payment of a transfer fee in such amount as they may reasonably determine to defray legal, administrative or other costs of transfer. Notwithstanding the above, (i) no transfer fee shall be required for transfers to and from a Lender, and (ii) nothing contained in this Section shall prohibit the assignment for security purposes of any Certificate or Membership Agreement to a Lender, or other secured party for the purpose of financing or refinancing the purchase of a membership or a Membership Agreement; provided, however, the Board of Directors shall be given written notice of such assignment for security purposes, together with a copy of the executed note, security, or pledge agreement and related documents within ten days of such assignment.

Section 3. Lost Membership Agreement: In the event that any Membership

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Agreement in full force and effect is lost, stolen, destroyed, or mutilated, the Board of Directors may authorize the issuance of a new Membership Agreement in lieu thereof, in the same form and with the same terms, provisions, conditions, and limitations as the lost Membership Agreement. The Board of Directors may, in its discretion, before the issuance of any such new Membership Agreement, require the Member thereof or the legal representative of the Member to make an affidavit or affirmation setting forth the facts relating to the loss, destruction or mutilation and such related matters as the Board of Directors may deem necessary, and to give the Club a bond in such reasonable sum as the Board of Directors may direct to indemnify the Club.

Section 4. Construction and Sales Activities: The Partnership shall have, without restriction or limitation, a transferable easement and license on, over and through the Marina for the purpose of construction of new Slips and Common Areas, if any, for the purpose of making improvements and repairs to the Slips, piers and other parts of the Marina and for the purpose of doing all things reasonably necessary and proper in connection therewith and to facilitate sales. The Partnership shall have the right to maintain on the Common Areas advertising and promotional signs which may be relocated from time to time at the sole discretion of the Partnership.

ARTICLE VII

Certificates

Section 1. Certificates and Membership Agreement: No Class A Certificates hereafter issued or acquired by the Club shall be issued or reissued except in connection with the execution by the Class A Member and delivery by the Club of a Membership Agreement, or the assignment to the Class A Member of a Membership Agreement issued previously to a Class A Member. Members may become Class A Members only by acquiring a Class B membership (which shall convert to a Class A membership) or by acquiring a Class A membership from an existing Class A Member. Membership in the Club shall entitle the holder thereof to all Membership Rights, including the exclusive right to occupy and use the Slip appurtenant thereto for mooring his boat and only for such other purposes as may be specified in these Bylaws and (as to Class A Members) in the Membership Agreement to which the memberships are appurtenant, subject to the provisions, covenants, and agreements contained in such Membership Agreement and to these Bylaws and the Marina Rules.

Section 2. Form and Certificate Register: Certificates representing the Certificates shall be in the form adopted by the Board of Directors and shall be signed by the President or a Vice President, and shall be numbered in the order in which issued. Such signatures may be facsimiles when and to the extent permitted by applicable statutory provisions. Certificates shall be issued in consecutive order and there shall be recorded the name of the person holding the Certificates, and the date of issue. A separate Class A Certificate shall be issued for each Class A membership and corresponding Membership Agreement. Each certificate exchanged or returned to the Club shall be canceled and the date of cancellation shall be indicated thereon and such Certificate shall be retained in the Club records. A separate Class Certificate shall be issued for each Class B membership.

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Section 3. Issuance of Certificates: The single Class A Certificate appurtenant to each Membership Agreement shall be issued by the Board of Directors and shall be represented by a single Certificate. A Class A member shall receive a separate Certificate for each Membership to which his Slip is appurtenant. The Class B Membership and Certificate issued to the Partnership and each Slip appurtenant thereto shall be represented by a separate Certificate for each Membership and each Slip.

Section 4. Lost Certificates and Membership Agreements: In the event that any Certificate is lost, stolen, destroyed, or mutilated, the Board of Directors may authorize the issuance of a new Certificate in lieu thereof. The Board of Directors may, in its discretion, before the issuance of such new Certificate require the Member or the legal representative of the Member, to make an affidavit or affirmation setting forth the facts relating to the loss, destruction or mutilation and such related matters as the Board of Directors may deem necessary and to pay a reasonable fee for the cost of replacement.

Section 5. Legend on Share Certificates: Certificates representing Class A Certificates shall bear a legend reading substantially as follows:

“The rights of Member are subject to the provisions of the Articles of Incorporation, Bylaws, and Marina Rules of Belt s Wharf Landing Yacht Club, Inc. (the “Club”) as amended from time to time and to all the terms, covenants, conditions and provisions of that certain Membership Agreement made between the person(s) in whose name(s) this certificate is issued and the Club with respect to the Membership Rights and use of the slip identified in the face of this certificate (the “Slip”). The holder hereof is entitled to the use, benefit, and enjoyment of the Membership Rights conferred by the Membership Agreement, subject to (a) the terms and conditions and all the provisions of the Club’s Articles of Incorporation, Bylaws, Marina Rules, and the Membership Agreement (together, the “Documents”), all of which the holder hereof hereby acknowledges to have received. The holder hereof, by acceptance of this certificate expressly agrees to all of the terms, conditions, and provisions of the Documents. Upon assignment by Member of the Membership Agreement, this Certificate shall be surrendered to the Club, and the assignee of the Membership Agreement shall enter into a new Certificate with the Club.

“The Board of Directors of the Club may refuse to consent to the transfer of the membership represented by this Certificate until any indebtedness of the Member to the Club is paid or any default under the Membership Agreement is cured in accordance with the applicable provisions thereof. Other restrictions on transfer of this Certificate, including limitations on rights of any transferee, are set forth in the Documents.”

“Copies of the Documents are on file and available for inspection and will be furnished without charge at the principal office of Belt s Wharf Landing Yacht Club, Inc.”

Such further information shall be added as to the conditions and restrictions relative to Certificates as the Board of Directors may deem appropriate.

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ARTICLE VIII

Registration

Section 1. Member Register: The Secretary shall maintain a list setting forth the name and address of each Member together with a schedule of each Member designated Slip Number. No assignee of a Member shall become a Member until the assignee's name, address, Membership Agreement and Slip number are duly registered with the Secretary and the assignee receives from the Club a Certificate evidencing membership.

ARTICLE IX

Indemnification

Section 1. Coverage: To the maximum extent permitted by the Maryland General Corporation Law as from time to time amended, the Club shall indemnify its currently acting and its former directors, officers, agents and employees and those persons who, at the request of the Club serve or have served another corporation, partnership, joint venture, trust or other enterprise in one or more of such capacities against any and all liabilities incurred in connection with their services in such capacities.

Section 2. Insurance: The Club shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Club, or who, while a director, officer, employee or agent of the Clubs is or was serving any other entity at the request of the Club, in any capacity, against any liability asserted against and incurred by such person in any such capacity, or arising out of such person's position, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article IX.

Section 3. Provisions not Exclusive: The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Articles of Incorporation, Bylaws, any agreement, vote of Members or disinterested Directors or otherwise.

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ARTICLE X

Operation of the Club

Section 1. Determination of Club Fees and Budget:

- (1) Fiscal Year. The fiscal year of the Club shall be January 1 to December 31.
- (2) Preparation and Approval of the Budget.

In or about September of each year, the Board of Directors shall prepare a budget for consideration by the Members of the Club containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operations, repair, and replacement for the Marina and the costs of wages, materials, insurance premiums, condominium fees, services, supplies, and other expenses of the Club, and as further set forth in Section 4 of this Article, the costs of the administration, operation, maintenance, and repair of the Marina and operation of the Club during the ensuing fiscal year. The budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide reserves for replacements and to provide for a general operating reserve. Thereafter, the Board of Directors shall send to each Member a copy of the budget in a reasonably itemized form which sets forth the amount of the proposed Club Fees, together with notice of a general or special meeting of the Club at which the Budget shall be presented. At such meeting, the Members may approve, disapprove, or modify the Budget. In the event the Members shall be unable to agree on a new budget, or if for any other reason one shall not be adopted, the then existing budget shall continue to govern Club Fees (except as otherwise provided herein).

- (3) Assessment and Payment of Club Fees. The total amount of funds estimated to be required for operation of the Club and funding of the budget as set forth in the budget adopted by the Members shall be assessed or charged as annual Club Fees to each Class A Member in accordance with its Proportionate Share. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, each Member shall be obligated to pay such annual Club Fees on a monthly basis. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Board of Directors, either be placed in a special reserve account to be expended solely for the requirements of the Club or be credited in Proportionate Shares to the Club Fees due from each Class A Member under the current fiscal year's budget, until exhausted. Any net shortage shall be assessed promptly against the Class A Members as additional Club Fees in accordance with their Proportionate Share and shall be payable as determined by the Board of Directors.
- (4) Scope of Club Fees. The Club Fees shall be sufficient to fund the budget and shall include but shall not be limited to, the following items:

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- (a) The Club's operating expenses for the Marina;
 - (b) The cost of necessary management and administration;
 - (a) The amount of all taxes and assessments levied against the Marina or which the Club is required to pay;
 - (b) The cost of fire and extended coverage insurance on the Marina and such other insurance as the Club may be required to obtain by law or pursuant to any agreement to which it is a party;
 - (e) The Club's cost for furnishing to the Common Areas and, where not separately metered, to all the slips, water, electricity, and telephone service, if any;
 - (f) All reserve funds and general operating reserves established by the Board of Directors;
 - (g) Except as provided in Section 4(2) below, the cost of repairs, maintenance, and replacements to the Marina;
 - (h) The amount of any principal and interest payments pursuant to any indebtedness of the Club;
 - (i) Costs of Club services and programs for its Members, including educational, cultural and recreational events and Club newsletters; and
 - (j) Any other expenses of the Club approved by the Board of Directors, including operating deficiencies, if any, for prior periods.
- (5) The Club Fees of any particular Member may also include Special Charges assessed against that Member for utilities separately metered to the Member's Slip and for any other costs directly attributable to the Member, including costs and damages relating to the negligent act or omission of the Member. In such event, the Club may pay the costs on behalf of such Member and charge any and all costs as Special Charges to such Member as a part of that Member's Club Fees, and such Special Charges shall be deemed payable as Club Fees.
- (6) Commencement of Club Fees; Requirement of Payment. Upon assignment of a Membership Agreement, the retiring Member will be responsible for Club Fees to the last day of his membership and the new Member will be responsible for payment of Club Fees from his first day of membership. Thereafter, the Member shall pay Club Fees each month in advance. For purposes of these Bylaws, membership shall be deemed to have changed as of the day upon which the Certificate is transferred on the official books of the Club. No transfer of a Membership Agreement or issuance of a new Certificate shall be permitted unless all Club Fees and all sums due the Club pursuant to the provisions of these Bylaws or the Membership Agreement have been paid in full with respect to the subject Slip.
- (7) Replacement Reserve Fund and Reserve for Working Capital Fund; Emergency and other expenditures.

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- (a) The Board of Directors may provide for, accumulate and maintain (i) reasonable reserves for general operations and replacements established as set forth in (b) below, and (ii) a Reserve for Working Capital Fund, initially established with the Working Capital Contribution, if any, paid by Members. The Board of Directors may impose the Working Capital Contribution upon any transfer of Certificates, and may increase or decrease or change the manner of computation of the Working Capital Contribution as it determines to be necessary. The Reserve for Working Capital Fund shall be maintained in a federally insured institution.

- (b) The Board of Directors may provide for a reserve for replacements on the basis of reasonable estimates and projections for future major repairs and replacements to the Marina. Expenditures not originally included in the annual budget which may become necessary during the year may be approved by the Board of Directors, without approval of the Members, if less than twenty percent of the budget, in the aggregate during any fiscal year. Regardless of the limitations upon expenditures contained in the preceding sentence, emergency repairs necessary to prevent or correct conditions involving manifest danger to life or property, to comply with law or pay taxes, or for the preservation and safety of the Marina, may be made by the Board of Directors. Such expenses shall first be charged against the Working Capital Fund and (if in the nature of a repair to a capital item) to the Replacement Reserve Fund.
 - (c) If the Replacement Reserve Fund or the Reserve for Working Capital Fund are inadequate for any reason, including non—payment of any Member's Club Fees, the Board of Directors may at any time after Member approval as above, levy a further assessment of Club Fees, which shall be assessed against the Members according to their respective Proportionate Share and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment of Club Fees on all Members by a statement in writing giving the amount and reasons therefor. Such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment of Club Fees that is due not less than five (5) days after the delivery of such notice of further assessment of Club Fees. All Class A Members shall be obligated to pay such adjusted monthly amounts of Club Fees, or, if such further assessment of Club Fees is not payable in installments, then the full amount of such assessment of additional Club Fees.

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- (8) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Members to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Class A Member's obligation to pay his Club Fees as herein provided whenever the amount of same shall be determined; and, in the absence of any annual budget or adjusted budget, each Class A Member shall continue to pay Club Fees at the monthly rate established for the previous fiscal year. When the new amount of Club Fees has been determined, such new amount shall become effective with the next monthly payment that is due not less than five (5) days after notice of such new annual or adjusted budget shall have been delivered.

Section 2. Collection of Club Fees: On the first day of each month, each Member shall pay the Club Fees, Special Charges, and any other assessments established by the Board of Directors pursuant to these Bylaws and the provisions of the Membership Agreement, without offset or deduction. The Board of Directors, or the Managing Agent at the request of the Board of Directors, may take prompt action to collect any Club Fees, Special Charges, and any other assessments due from any Member that remain unpaid for more than ten (10) days after the due date for payment thereof. Any Club Fees or other assessments not paid within fifteen (15) days after due may (if elected by the Board) accrue a late charge or interest charge as set forth in Article XIV, Section 7.

Section 3. Statement of Club Fees: The Board of Directors shall promptly provide any Member or the Member's assignee of Certificates so requesting, a written statement of the amount of the Club Fees and all unpaid Club Fees and other assessments due with respect to such membership. The Board of Directors may impose a reasonable charge for the preparation of such statement.

Section 4. Maintenance. Repair. and Replacement:

- (1) By the Club. The Club shall be responsible for the operation, maintenance, repair, and replacement of the Marina as follows:
- (a) The Club shall provide and pay for all necessary dredging and for all necessary construction, repairs, maintenance, and replacements of bulkheads, piers, pilings, parking areas, buildings, storage areas, and all other improvements and facilities of the Marina.
 - (b) The authorized officers, employees, and agents of the Club and/or the Partnership shall have the right to enter any portion of the Marina to effect necessary repairs, maintenance, and replacements to the Marina or any portion thereof, and to authorize entrance for such purposes by employees of any contractor, utility company, governmental authority, or others, at any reasonable hour of the day, with twenty-four (24) hours notice but in the event of emergency, at any time and without advance notice.

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- (2) Each Member shall keep his Slip and the surrounding portion of the Marina in good order, condition, and repair and in a clean and sanitary condition. In addition, each Member shall be responsible for all damage to the Marina resulting from his negligence or failure to act when required to do so. Each Member shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with other Members and Occupants. Each Member shall promptly report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Club is responsible.

Section 5. Alterations, or Improvements by the Board of Directors: Whenever, in the judgment of the Board of Directors, the Marina shall require alterations or improvements not in the budget costing in excess of Twenty Thousand Dollars (\$20,000.00) during any period of twelve (12) consecutive months, the making of such alterations or improvements must be approved by the affirmative vote of the majority of the votes entitled to be cast by the Members present at a meeting at which there shall be a quorum, and the Board of Directors shall proceed with such alterations or improvements and shall assess all Members for the cost thereof as Club Fees. Any alterations or improvements estimated to cost Twenty Thousand Dollars (\$20,000.00) or less during any period of twelve (12) consecutive months may be made by the Board of Directors without approval of the Members and the cost thereof shall be assessed as Club Fees.

Section 6. Use of Slips and Docks: Rules and Regulations: Each Slip and Dock and the Marina in general shall be occupied and used as follows:

- (1) Nothing shall be done or kept in, on, or about any Slip or the Marina in general that will increase the rate of insurance for the Marina or any part thereof without the prior written consent of the Board of Directors. No Member shall permit anything to be done or kept in or on his Slip which will result in the cancellation of insurance on the Marina or any part thereof or which would be in violation of any law, regulation, or administrative ruling. No waste may be committed on the Marina;
- (2) All valid laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction that relate to any portion of the Marina shall be complied with, by and at the sole expense of the Member or the Club depending upon whichever shall have the obligation to effect compliance;
- (3) No Member will obstruct or permit obstruction of any of the Marina without the approval of the Board of Directors. Nothing shall be altered or constructed in or removed from any part of the Marina except upon the prior written consent of the Board of Directors;
- (4) All parking of both road vehicles and boats shall be as regulated by the Board of Directors;
- (5) Except for such signs as may be posted by the Club or by the Partnership for promotional, marketing, or related purposes, no signs of any character shall be erected, posted, or displayed upon, in, from, or about any Slip or any other part of the Marina, without the prior written approval of the Board of Directors;
- (6) Each Slip and all of the other portions of the Marina shall be occupied

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and used in compliance with the Marina Rules, which may be promulgated and amended by the Board of Directors. Copies of the Marina Rules shall be furnished by the Board of Directors to each Member. Amendments to the Marina Rules shall be conspicuously posted prior to the time when the same shall become effective and copies thereof shall be furnished to each Member upon request.

- (7) No portion of the Marina be used for commercial purposes except for side ties which may be used by the Class B Members for commercial vessels and businesses.

Section 7. Record of All Lenders: The Club shall maintain complete and accurate records of all Lenders who have notified the corporation that they have made loans to Members secured by First Liens. Upon receipt of such notice, the Club will (a) enter the Lender's name in a register maintained by the Club (all such Lenders shall hereinafter be referred to as "registered Lenders" and all such loans shall hereinafter be referred to as "Registered Loans"); and (b) within ten (10) business days thereafter will issue to registered Lenders a certificate evidencing the registration of the Loan.

Section 8. Class B Member. The holder of the Class Certificate shall not be responsible to pay any Club Fees for any Class B memberships or the Slips to which they are appurtenant; provided that the Class B Member shall not be excused from payment of Club Fees pertaining to (i) any Class A Certificates it owns, or (ii) Class B memberships where the Slips appurtenant to such memberships are made available for lease by third parties.

ARTICLE XI

Insurance

Section 1. Authority to Purchase: All insurance policies relating to the Marina shall be purchased by the Club. Each such policy of the Club must (if obtainable on reasonable terms) provide that:

- (1) The insurer waives any right to claim by way of subrogation against the Club, the Board of Directors, the Managing Agent, or the Members and their respective agents, employees and guests in the case of the Members;
- (2) An endorsement to the effect that such policy shall not be canceled, invalidated, or suspended due to the conduct of any Member (including his invitees, agents, and employees) or of any member, officer, or employee of the Board of Directors or the Managing Agent without a prior demand in writing that the Board of Directors or the Managing Agent cure the defect and neither shall have so cured such defect within thirty (30) days after such demand; and
- (3) Such policy may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to the Board of Directors and the Managing Agent. All policies of insurance shall be written by reputable companies licensed to do business in the State of Maryland.

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Section 2. Physical Damage Insurance: The Board of Directors shall obtain and maintain a blanket, "all-risk" form policy of fire insurance with extended coverage, or any equivalent form of coverage, insuring the entire Marina including any service machinery owned by the Club and covering the interests of the Club, the Board of Directors, officers of the Club, all Members, and any Lender or secured party, as their interests may appear, in an amount reasonably determined by the Board of Directors, with a commercially reasonable deductible amount. Such policy shall also provide:

- (1) A waiver of any right of the insurer to repair, rebuild, or replace any damage or destruction, if a decision is made pursuant to these Bylaws not to do so; and
- (2) Any other provision as may be deemed necessary.

Section 3. Liability Insurance: The Board of Directors shall procure and maintain liability insurance which insures the Club and Board of Directors against any and all liability for injury or death to persons or damage to property arising out of, or incident to, the ownership, occupancy and/or use of the Marina, in such amount and with such reputable companies as the Board may determine.

Section 4. Other Insurance: The Board of Directors may obtain and maintain:

- (1) flood insurance or other insurance or endorsements in accordance with the then—applicable requirements of such agency;
- (2) workmen's compensation insurance if and to the extent necessary to meet the requirements of law; and
- (3) such other insurance as the Board of Directors may determine.

Section 5. Separate Insurance: Each Member may obtain, at his own expense, insurance for his own personal possessions, for his own benefit and for his personal liability; provided, however, that no Member shall acquire or maintain any insurance coverage that would decrease the amount the Club may realize under any insurance policy maintained by the Board of Directors or cause any insurance coverage maintained by the Board of Directors to be brought into contribution with insurance coverage obtained by a Member.

Section 6. Board of Directors as Agent: The Board of Directors is hereby irrevocably appointed the agent for each Member, and other named insureds and their beneficiaries and the Lender with respect to the Club and the Marina, to adjust and settle all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver releases upon the payment of claims.

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ARTICLE XII

Repair and Reconstruction

Section 1. When Repair and Reconstruction are Required:

Except as otherwise provided in Section 4 of this Article XII, in the event of damage to or destruction of all or any of the improvements constituting a part of the Marina, as a result of fire or other casualty, the Board of Directors, shall arrange for and supervise the prompt repair and restoration of the improvements.

Section 2. Procedure for Reconstruction and repair:

- (1) **Cost Estimates.** Immediately after a fire or other casualty or damage to any improvements, the Board of Directors, shall obtain reliable and detailed estimates of the cost of repairing and restoring such improvements to the condition that existed before such casualty. Such costs may also include professional fees and premiums for such bonds as may be deemed to be necessary.
- (2) **Assessments.** If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve fund and/or shall be deemed a Club Fee and a special assessment therefor shall be levied.
- (3) **Plans and Specifications.** Unless otherwise determined by the Board of Directors, any such reconstruction or repair shall be substantially in accordance with the original construction of the Marina, subject to any modifications required by changes in applicable government regulations.

Section 3. Disbursements of Construction Funds:

- (1) **Construction Fund and Disbursement.** The proceeds of insurance collected on account of casualty, and the sums received by the Board of Directors from collections of Club Fees from Members on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of construction and repair in the following manner:

If the estimated cost of reconstruction and repair is more than Fifty Thousand Dollars (\$50,000.00), then the construction fund shall be disbursed in payment of such costs upon approval of a qualified agent to supervise such work, payment to be made from time to time as the work progresses.

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- (2) Surplus. It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds and, if there is a balance in the construction fund after the payment of all of the costs of the reconstruction and repair for which the fund is established, such balance shall be divided among all Members according to their Proportionate Share or retained in a reserve fund as shall be determined by the Board of Directors.

Section 4. When Reconstruction is Not Required: In the event of a fire or other disaster causing loss, damage, or destruction to fifty percent (50%) or more of the Marina (as determined by percentage of Slips affected to total number of Slips in the Marina), then within thirty (30) days after the final adjustment of insurance claim, if any, or if no adjustment then within thirty (30) days after such damage or destruction, the Board of Directors shall notify each Lender and call a special meeting of Members for the purpose of determining whether the Marina should be reconstructed. Provision for reconstruction of the Marina, or a part thereof, shall require the affirmative vote of not fewer than a majority of the votes entitled to be cast by Members present at the meeting, provided there shall be a quorum. If provision for reconstruction of the Marina is not made within one hundred eighty (180) days from the later of the date of damage or destruction (if such peril is not insured against) or one hundred eighty (180) days from the final date of the adjustment of such insurance claim, then the Members shall adopt a plan of liquidation for the Club. Any such plan of liquidation shall provide that no distributions shall be made to a Member if there shall be a Lender with respect to such Member's membership interest unless the Lender is fully paid or shall otherwise consent to such distribution.

ARTICLE XIII

Negotiable Instruments

Section 1. Signatures: All checks, drafts, orders for payment of money, and negotiable instruments shall be signed by an officer or officers or employee or employees of the Club or Managing Agent by standing resolution, special order, or contract between the Club and Managing Agent. Endorsements or transfers of Certificates, bonds, or other securities, shall be signed by the President or any Vice President, unless the Board of Directors, by special resolution, shall prescribe otherwise. This Section 1 of Article XIII shall not be interpreted to mean that funds rightfully in the possession of a Managing Agent require the signature of the Club.

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ARTICLE XIV

Compliance and Default

Section 1. Default: If any one of the events specified herein occurs, the Club may terminate the Member's Membership Rights, right to use and occupancy under the Membership Agreement, may exercise its rights under the Slip Lien, and, in addition, may exercise any other rights and remedies available at law or in equity. The Club shall furnish the Member and any registered Lender or other secured party of such Member disclosed to the Club in writing, at least thirty (30) days' written notice of any declaration of default hereunder and of the termination of the Member's right to continue to occupy and use his Slip. At the end of the thirty (30) days, unless the Member, Lender, or secured party has cured the default, the Managing Agent shall notify Lender or other secured party of the Member's default, and the Club may request that the member surrender his Membership Agreement and Certificate, enjoin the member from any further access to the Club, and re-enter the Slip and remove all Occupants and their personal property therefrom, and repossess the Slip in its former state. If the Member or Occupant fails to vacate the Slip, the Club may place the boat in land storage, and Member shall reimburse the Club for all costs incurred, including reasonable removal and storage fees, and Club shall have a lien on the boat for such amounts. In addition, the Club may sell and assign the Membership Agreement (or enter into a new Membership Agreement) and the Certificate and membership appurtenant thereto after fifteen days notice to the Member. Such events of default shall include, but not be limited to, the following:

- (1) The Member attempts to transfer or assign the Membership Agreement or his Certificate in a manner inconsistent with the provisions of the Articles of Incorporation, these Bylaws or the Membership Agreement, or the Marina Rules promulgated by the Board;
- (2) The Member shall fail timely to pay any sum due as a Club Fee, Special Charge, or otherwise due pursuant to any provision of these Bylaws or of the Membership Agreement; and
- (3) Member shall default in the performance of any of his other covenants, duties or obligations under the Membership Agreement, the Marina Rules, the Articles of Incorporation or these Bylaws or shall fail to comply with conditions, promises, or undertakings thereof.

Section 2. Waivers and Cumulative Remedies: The Member waives any and all rights to a stay of execution and all rights to notice of, or service of, any writ of restitution or any other action at law or in equity and any and all rights of redemption in case he shall be dispossessed by judgment or warrant of any court or judge. In the event of a breach or threatened breach by the Member of any of his obligations established under these Bylaws, the Articles of Incorporation, the Membership Agreement, or the Marina Rules, the Club shall have the right of injunction and the right to invoke any remedy otherwise provided in these Bylaws or the Membership Agreement. The failure on the part of the Club to avail itself of any of the remedies provided under these Bylaws shall not waive or destroy the right of the Club to avail itself of such remedies for similar or other breaches on the part of the Member.

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Section 3. Compliance: Each Member shall be governed by, and shall comply with, all of the terms of these Bylaws, the Articles of Incorporation, the Membership Agreement, and the Marina Rules as any of the same may be amended from time to time.

Section 4. Additional Liability: Each Member shall be liable for the expense of all maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness or the act, neglect, or carelessness of any member of his family or his employees, agents, lessees or licensees. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy, or abandonment of any Slip or its appurtenances.

Section 5. Costs and Attorneys Fees: In any proceeding arising out of any alleged default by a Member, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorneys fees as may be determined by the court.

Section 6. No Waiver of Rights: The failure of the Club, the Board of Directors, or of a Member to enforce any right, provision, covenant, or condition which may be established by law or equity or contained in any Membership Agreement, any security agreement, the Articles of Incorporation, the Marina Rules, or these Bylaws shall not constitute a waiver of the right of the Club, the Board of Directors, or the Member to enforce such right, provision, covenant, or condition in the future. All rights, remedies, and privileges granted to the Club, the Board of Directors, or any Member pursuant to any term, provision, covenant, or condition of any Membership Agreement, any security agreement, Marina Rules, Articles of Incorporation, or these Bylaws shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by such documents and instruments or at law or in equity.

Section 7. Interest; Late Charge: In the event of a default by any Member in paying any sum assessed as a Club Fee, Special Charge, or any other sum due under these Bylaws, Membership Agreement, or Marina Rules which continues for a period in excess of fifteen (15) days' interest at the rate determined by the Board of Directors, but in no event in excess of the maximum rate permitted by law, may be imposed in the discretion of the Board of Directors upon the principal amount unpaid from the date due until paid, and, in addition, a late charge not in excess of five percent (5%) of the principal amount unpaid may be adopted by the Board and assessed.

Section 8. Abating and Enjoining Violations by Members: The violation of any of the Marina Rules adopted by the Board of Directors, the breach of any Bylaw contained herein, the breach of any provision of the Membership Agreement, or the breach of any provision of the Articles of incorporation shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws:

- (1) to enter the Slip or adjacent area in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the Member who owns the Certificate and the Membership Agreement to which the Slip is appurtenant, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or

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- (2) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; or
- (3) to suspend or terminate the Membership Agreement and deny the right of occupancy until such default shall be cured; provided, however, that the Board of Directors shall promptly notify any Lender, and nothing contained herein shall impair the rights of a Lender pursuant to its First Lien documents to, upon its written request, obtain within five (5) business days after the request (made within thirty (30) days after notification of the Lender of the default), the execution of a new Membership Agreement between the Club and an individual or individuals designated by said Lender, after the date on which the said Lender takes possession of the Slip, or accepts the transfer or assignment of any interest therein or of any Certificates. The Club may, at its sole election, mitigate its damages as it sees fit, including, without limitation, the renting (on a month-to-month or other basis) of the Slip of the defaulting Member from and after the date of the aforesaid termination of the Membership Agreement, to and including the day preceding the effective date of any new Membership Agreement pertaining to the Slip of the defaulting Member. The costs incurred by the Club with respect to the exercise of its rights and remedies hereunder shall be charged and assessed to the Member as a Special Charge.

Section 9. Legal Proceedings: Failure to comply with any of the terms of the Membership Agreement, Articles of Incorporation, these Bylaws, and the Marina Rules shall be grounds for relief, including, without limitation, an action to recover any sums due for money damages, injunctive relief, any cost of actions for payment of all Club Fees, Special Charges, or any other charges and costs, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Club, the Board of Directors, the Managing Agent, or, if appropriate, by any aggrieved Member and shall not constitute an election of remedies.

ARTICLE XV

Liens in Favor of Club

Section 1. Liens: The Club shall have at all times until the payment in full of all Club Fees and Special Charges and other sums due hereunder, a first and valid lien, except as herein below subordinated, upon the Certificates owned by the Member and upon the Membership Agreement to which they are appurtenant, to secure such payment in full.

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Section 2. Foreclosure: Any lien on Certificates and Membership Agreements may, at the option of the Club, be foreclosed or executed upon in any lawful manner, including, but not limited to, procedures specified in the Maryland Uniform Commercial Code at any time when such sums or any portion thereof shall become overdue hereunder or upon termination of the Membership Agreement. In the event of any such action, if necessary or desirable, a receiver may be appointed at the option of the Club, with the usual powers of receivers in equity to take possession of any or all of the Membership Agreements, Certificates and the property covered by such lien, and sell, assign or transfer the Membership Agreement, and Membership Rights, as such receiver shall, pursuant to order of court, see fit. The issued and outstanding Certificates and Membership Agreements of the Club shall be continuously and irrevocably pledged to the Club as security for the payment from time to time as often as the same may become due and payable of any and all obligations of Members to the Club pursuant to any provision herein. The Club shall have the irrevocable right to take physical possession and to sell the membership as evidenced by the Certificates and the Membership Agreements (or to cancel same and issue new Certificates and Membership Agreements) in the event of a default by the Member in the payment of any sum or sums due and owing by the Member to the Club pursuant to any provisions of the Bylaws and the Membership Agreement and upon the continuance of any such default for a period of thirty (30) days after written notice has been given by the Club to the Member (and to its Lender) specifying such default, or upon termination of the Membership Agreement. Said Certificates and the Membership Agreement may be sold by the Club at public or private sale, for cash or upon such terms of credit as to the Club may deem reasonable and proper, upon not less than fifteen (15) days written notice by the Club to the Member of the time and place of said sale. At any such sale the Club or its agents may bid for and purchase such membership and the Membership Agreements. The aforesaid lien shall be subordinate to the lien in favor of a Lender, except for the amount of that proportion of Club Fees for a Slip that becomes due and payable from and after the date on which such Lender takes possession of the Slip, accepts a conveyance of any interest therein or in the Certificates (other than as security), or sells by public or private sale the Certificates or Membership Agreement. This provision shall not be amended, changed, modified, or rescinded without the prior written consent of any Lender.

Section 3. Subsequent Holders: Any subsequent transferee, assignee, or holder of the Certificates, whether through judicial proceeding, private or public sale, or otherwise, shall be subject to all the provisions of these Bylaws, the Articles of Incorporation, the Membership Agreement, and the Marina Rules.

ARTICLE XVI

Rights of Lenders and Other Secured Parties

Section 1. Access to Books, Records and Financial Statements: Upon written request, any registered Lender shall be entitled to inspect the books and records relating to the Marina during normal business hours, upon reasonable notice and receive a copy of any financial statement of the Club concurrently with its distribution to the Members.

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Section 2. Notices to Registered Lenders: Registered Lenders shall be entitled to timely written notice of:

- (a) any condemnation or casualty loss that affects either a material portion of the Marina or a Slip which provide collateral for the Registered Loan; provided, however, the Club shall have no obligation to provide the aforesaid notice unless said damage has been reported to the Club or Managing Agent in writing or otherwise recorded among their business records;
- (b) any default in the obligations hereunder or under the Membership Agreement or Marina Rules by the Member or Members owning Certificates encumbered by such security interest, not cured within thirty (30) days, after notice of such default has been sent to such Member by the Managing Agent or the Board of Directors;
- (c) any proposed action that requires the consent of Registered Lenders, including modification of these Bylaws and the Membership Agreement;
- (d) any threatened condemnation or eminent domain proceeding or proposed acquisition of any portion of the Marina owned by the Club.

Section 3. Lenders' Rights upon Members Default: Any default by Member pursuant to the terms and agreements of any member's security agreement with a registered Lender or a default by member pursuant to Article XIV shall entitle a registered lender to all legal and equitable remedies, specifically including the exercise of all such remedies set forth herein for foreclosure of liens in favor of the Club.

Section 4. No Liability: The Club's failure in good faith to provide any of the foregoing to a Lender who has so requested shall not affect the validity of any action or decision which is related to the foregoing, nor shall the Club have any liability on account of its good faith failure to so provide.

Section 5. Right to Require Club to Take Action:

The Club agrees to exercise any right of termination or take other action granted or reserved unto the Club under these Bylaws or the Membership Agreement if the Lender requests such action and provides written notice to the Club of the default under the Slip Loan, provided the Membership Agreement of the Member shall not have theretofore been terminated.

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Upon such request by the Lender, the Club will commence necessary judicial proceedings or take other action against the Member if, after the exercise of the Club's right of termination or other action, the Member fails to vacate the Slip, and thereafter take all steps and do, as may be permitted by law, all acts, required in order to remove the Member and all other occupants of Member's Slip from possession, all of which will be done at the Lender's sole cost and expense. Lender indemnifies and holds harmless the Club from and against any and all claims, suits, actions, and/or causes of action, damages, and expenses, including the reasonable fees of attorneys for the Club, made or asserted by the Member in connection with the Club exercising the right of termination and/or commencing legal proceedings and/or taking any action or steps in accordance with the provisions hereof provided the same are lawful and consistent with the rights and remedies of the Club set forth herein and in the Governing Documents.

ARTICLE XVII

Condemnation

Section 1. Condemnation Proceedings: Whenever the state, a political subdivision, or any other corporation, agency, or authority having the power of eminent domain shall seek to acquire any of the Marina, such authority may conduct negotiations with the Board of Directors as representative of all Members, and the Board of Directors may execute and deliver the appropriate conveyance for all agreed consideration. The Board of Directors shall allocate such consideration, whether received through negotiation or condemnation, first to the repair, replacement, or restoration of the Marina, and then to Members holding Membership Agreements for the Slips that are the subject of such condemnation as determined by the Board of Directors. Subject to the foregoing provisions, in any condemnation proceeding, the Members and their respective Lenders, if any, shall be entitled to seek and have their just damages for the taking of their Slips as allowed by law, including severance damage, if any.

ARTICLE XVIII

Miscellaneous

Section 1. Notices: All notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by mail, postage prepaid:

- (1) if to a Member, at the address which the Member shall designate in writing and file with the Secretary; or
- (2) if to the Club, to the resident agent and to the Board of Directors or the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

If a Certificate is owned by more than one person, each such person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder.

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Section 2. Captions: The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision thereof.

Section 3. Gender: The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include plural, and vice versa whenever the context so required.

Section 4. Amendments to Bylaws: These Bylaws may be altered, amended or repealed and new Bylaws may be adopted only by a vote of the majority of the Board of Directors of the Club at any annual or special meeting of the Directors called for that purpose provided that no amendment of any Bylaws which would affect the rights, benefits or privileges reserved herein to the Partnership shall be effective unless approved by all holders of Class B Certificates.