
O F F E R I N G P L A N

Harris Bay Yacht Club, Inc.

PART II



CERTIFICATE OF INCORPORATION
OF
HARRIS BAY YACHT CLUB, INC.

UNI

MARK TIPPERMAN, being of the age of nineteen years or over, for the purpose of forming a corporation pursuant to Section 402 of the Not-For-Profit Corporation Law, does hereby certify:

FIRST: The name of the corporation is Harris Bay Yacht Club, Inc. (the "Corporation").

SECOND: The Corporation is a corporation as defined in subparagraph(a)(5) of Section 102 of the Not-For-Profit Corporation Law.

THIRD: The purposes for which the Corporation is formed are as follows:

A. To promote the health, safety, welfare and recreation of the members of the Corporation in connection with a marina consisting of land, buildings and improvements and other property, situated in the Towns of Queensbury and Fort Ann, in the Counties of Warren and Washington, in the State of New York, (the "Marina property") and for this purpose:

B. To acquire, own, mortgage, lease, operate, maintain, repair, replace and improve the Marina property for the use and enjoyment of the members of the Corporation.

C. To enter into and perform contracts and agreements, do any acts and provide any services directly or indirectly, exercise any powers and undertake any duties, suitable, convenient, proper for, or incidental to, the accomplishment of any of the purposes enumerated herein and in the By-Laws of the Corporation, but not for the pecuniary profit or financial gain of its members, directors, or officers, except as permitted under Article 5 of the Not-For-Profit Corporation Law.

FOURTH: In the furtherance of the purposes set forth in the preceding paragraph, the Corporation shall have all the powers enumerated in Section 202 of the Not-for-Profit Corporation Law, subject to any limitations contained in the Not-for-Profit Corporation Law or any other statute of the State of New York.

FIFTH: The Corporation shall be a Type A Corporation pursuant to Section 201 of the Not-For-Profit Corporation Law.

SIXTH: This Certificate may be amended pursuant to the provisions of the Not-For-Profit Corporation Law.

SEVENTH: The office of the Corporation will be located in the Town of Queensbury, County of Warren, State of New York.

EIGHTH: The territory in which the operations of the Corporation will principally be conducted is the Towns of Queensbury and Fort Ann, in the Counties of Warren and Washington, in the State of New York.

NINTH: The Secretary of State is designated as the agent of the corporation upon whom process against the corporation may be served, and the address to which the Secretary of State shall mail a copy of any process against the corporation served upon him is Rt. 9L, Cleverdale, New York 12820.


TENTH: The name and address of the registered agent who is to be the agent of the corporation upon whom process against it may be served is

Thomas W. Eagan, R.D. #1, Box 58, Lake George, New York 12845.

ELEVENTH: No approvals or consents are required to be attached to this Certificate of Incorporation.

IN WITNESS WHEREOF, I have made and signed this Certifi-

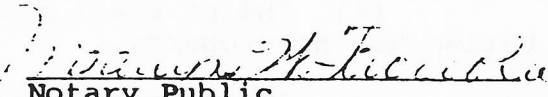
cate on December 13, 1982 and I affirm the statements contained herein are true under penalty of perjury.



MARK TIPPERMAN
55 Broad Street
New York, New York 10004

STATE OF NEW YORK)
 : ss:
COUNTY OF NEW YORK)

On the 13 day of December, 1982, before me personally came Mark Tipperman, to me known and known to me to be the individual described in and who executed the foregoing instrument, and he duly acknowledged that he executed the same.



Notary Public
MADelyn W. PROCOLA
Notary Public, State of New York
No. 0000000000
Qual. Exp. 12/31/84
Term. Exp. 12/31/84

BY-LAWS

OF

HARRIS BAY YACHT CLUB, INC.

A New York Not-For-Profit Corporation

ARTICLE I NAME AND PRINCIPAL OFFICE

The name of the corporation is Harris Bay Yacht Club, Inc. (the "Club"). The principal office of the Club will be located at Route 9L, Cleverdale, in the Town of Queensbury, County of Warren, State of New York.

ARTICLE II DEFINITIONS

The following words when used in these By-Laws shall, unless the context otherwise dictates, have the meanings set forth below:

(a) "Club" shall mean and refer to Harris Bay Yacht Club, Inc., a New York not-for-profit corporation.

(b) "Certificate of Incorporation" shall mean and refer to the certificate of incorporation of the Club, filed with the Secretary of State, as amended from time to time.

(c) "Rules and Regulations" shall mean and refer to the Rules and Regulations of the Club, promulgated by the Board of Directors thereof, as amended from time to time.

(d) "Marina property" shall mean and refer to all the real, personal and other property owned by the Club.

(e) "Slip" shall mean and refer to a slip at a dock constituting Marina property.

(f) "Member" shall mean and refer to a holder of a membership in the Club.

(g) "Membership" shall mean and refer to the interest held by each member in the Club.

(h) "Board" shall mean and refer to the Board of Directors of the Club.

(i) "Statute" shall mean and refer to the Not-for-Profit Corporation Law.

(j) "Sponsor" shall mean and refer to Yardarm Development Associates, a New York limited partnership.

ARTICLE III PURPOSE

The purpose of the Club is to own, operate, manage and control the Marina property for the benefit of the members. The Club shall maintain the Marina property in good, safe and sanitary condition. The Club shall repair and replace the Marina property so as to maintain the property in such condition.

ARTICLE IV APPLICABILITY

The provisions of the Certificate of Incorporation, these By-Laws and the Rules and Regulations shall be binding on all present and future members, lessees, their families, guests, licensees, agents, employees, and any other person on, in or about the Marina property.

ARTICLE V USE OF MARINA PROPERTY

Section A. General

The Marina property shall be utilized solely by members and their accompanied guests; approved lessees and tenants of memberships; and lessees, employees, agents and licensees of the Club. No member shall permit any person except his accompanied guests to utilize any of the Marina property, including, without limitation the slip assigned to his membership, except by lease or rental in strict accordance with Article VIII.

The Club may lease or rent any membership owned by the Club without restriction, and any other Marina property, subject to the right of the members to use their assigned slips. A designee of the Club may lease or rent any membership owned by such designee without restriction.

Section B. Assignment of Slips

The Board shall assign one slip for a boat or other vessel to each membership. The assignment will be made based upon the docks in existence at the time of assignment. The maximum draft, length and beam of the boat or vessel that may utilize the assigned slip will be fixed at the date of assignment. The assignment shall confer the right to use the assigned slip subject to the following exceptions:

1. The Club may repair, replace or otherwise alter any slip and or any dock to which any slip is appurtenant, to the extent the Board shall determine necessary, provided that the slip and or dock is repaired, replaced or altered expeditiously and the dock as repaired, replaced or altered, provides substantially the same slips as previously existed, accommodating boats or vessels with substantially the same draft, length and beam, to the extent permitted by governmental authorities and reasonably possible.

2. In the event of fire or other casualty, the Club shall be obligated to expeditiously repair or replace any slip and dock damaged or destroyed and the dock as repaired or replaced shall provide substantially the same slips as previously existed, accom-

modating boats or vessels with substantially the same draft, length and beam, to the extent permitted by governmental authorities and reasonably possible.

3. Except as provided in the following paragraphs, in connection with the loss, damage, repair, alteration or replacement of any slip or dock as provided in this Article, no member shall be entitled to any reduction in the amount of any assessment, installment thereof, or special assessment payable to the Club; nor any damages from the Club; nor any other form of compensation from the Club.

4. In the event a member is deprived of his right to use the slip assigned to his membership, and or a replacement thereof for two (2) consecutive seasons as defined in the Rules and Regulations as a result of the repair, replacement or alteration of the slip or appurtenant dock, such member shall be entitled to damages in an amount equal to the former fair market value of his membership. In the event the Club and such member cannot expeditiously agree on the former fair market value, each shall appoint one arbitrator, and the two (2) arbitrators so appointed shall themselves appoint a third arbitrator. The three (3) arbitrators shall determine the fair market value of the membership. The arbitration shall be conducted at the election of the Board, in accordance with the Rules of the American Arbitration Association, or its successor, or such Rules and Regulations as the Board may promulgate. The determination of former fair market value will be based on the value of the membership at the latest point in time that the formerly assigned slip was available for use by the member.

5. In the event of police power or eminent domain or condemnation proceedings, the Club shall expeditiously replace any dock, slip or portion thereof taken by the governmental or other public authority and the dock as replaced shall provide substantially the same slips as previously existed, accommodating boats or vessels with substantially the same draft, length and beam, to the extent permitted by governmental authorities and reasonably possible.

6. In the event a member is deprived of his right to use the slip assigned to his membership and or a replacement thereof, for two (2) consecutive seasons as defined in the Rules and Regulations, following the effective taking of the slip or appurtenant dock by the governmental or other public authority, such member shall be entitled to share in any final condemnation or eminent domain award to the following extent. The Board shall request that the award set forth the amount allocated to each membership so affected. In the event the award does not set forth such allocation, the share shall be determined by agreement of the Club and such member. In the event the Club and such member cannot expeditiously agree on the share, each shall appoint one arbitrator, and the two (2) arbitrators so appointed shall themselves appoint a third arbitrator. The three (3) arbitrators shall determine the share of the membership. The arbitration shall be conducted at the election of the Board, in accordance with the rules of the American Arbitration Association, or its successor, or such Rules and Regulations as the Board may promulgate.

7. In the event a member is deprived of his right to use the slip assigned to his membership by virtue of repair, replacement, fire or other casualty or police power, eminent domain or condemnation proceedings, the Club shall temporarily provide such a member with a comparable substitute slip if any are then assigned to a membership owned by the Club and the membership is not then leased or rented. Any member who is temporarily assigned such a replacement slip will be obligated to pay any assessments, but not special assessments that would otherwise be payable by a holder of the membership to which the substitute slip is assigned.

8. The Board shall at all times maintain a roster with schedules of the memberships, the slips assigned thereto and the maximum draft, length and beam of the boat or vessel that may utilize the respective slips.

Section C. Restrictions

The slips assigned to each membership shall be used for the purpose of docking a single pleasure or recreational boat or vessel therein (plus any lifeboat and or dinghy normally carried on board such boat or vessel). The use of any slip assigned to a membership for any commercial purpose, use or venture is strictly prohibited. While docked or moored in or about a slip, no boat or vessel shall be used as a temporary or permanent residence. This prohibition shall include without limitation, occupancy by a person or persons of a boat or vessel in or about a slip, for any cumulative period in excess of seventy-two (72) hours during any consecutive ninety-six (96) hour period. At no time shall more than one boat or vessel (plus any lifeboat and or dinghy normally carried on board such boat or vessel) be docked or moored in or about a slip. No boat or vessel shall be docked or moored in or about a slip in excess of the draft or length or beam dimensions set forth in the roster maintained by the Board as provided in this Article. Notwithstanding the foregoing and any provision contained in the Rules and Regulations, the Club or its designees may utilize any slip assigned to a membership owned by the Club or its designees and any slip owned by the Club, as a model or sales office, or for the sale of fuel and marina products, or for the maintenance, or repair of boats or vessels, their contents or appurtenances.

No harassing, menacing, noxious, unsanitary, hazardous, illegal or unlawful use shall be made of any Marina property including without limitation the slips. All laws, ordinances, regulations, rules and other valid governmental requirements shall be adhered to. No member shall cause or permit or allow anything to be done on the Marina property including without limitation the slip assigned to his membership, that will increase the cost of insurance coverage provided by the Club under these By-laws, or that will obstruct, impede or interfere with the rights of other members, or annoy them with unnecessary or unreasonable noise or other irritant. No member shall cause or permit any nuisance on the Marina property including without limitation the slip assigned to his membership.

No member shall in any manner alter the Marina property, or in any manner change the appearance of the property, including without limitation the slip assigned to his membership.

All boats and vessels docked or moored in or about the slips assigned to the memberships shall be maintained in good, safe, clean, sanitary and seaworthy condition at all times. The Board shall be empowered upon reasonable notice and an opportunity to be heard, and in the context of an emergency without prior notice or opportunity to be heard, to cause any boat or vessel to be removed from the Marina property, including without limitation any slip, in the event the Board determines that such boat or vessel constitutes a health or safety hazard.

Section D. Emergency Powers.

In the event of any emergency in or about any boat or vessel, presenting an imminent threat to any person or any Marina property, or any boat or vessel in any slip, the Club or any person authorized by the Club, shall, without notice or an opportunity to be heard, and without regard to whether the owner of the boat or vessel is present at the time of the emergency, have the right but not the obligation, to forthwith board such boat or vessel for the purpose of abating such emergency. To abate the emergency the Club or any person authorized by the Club may take whatever action appears necessary, including without limitation: pump the boat or vessel; remove such boat or vessel from the Marina property; or secure such boat or vessel. Neither the Club nor any person authorized by the Club shall be liable for any loss or damage to any person or property incurred in connection with the abatement of an emergency under this Article.

ARTICLE VI MEMBERSHIP, VOTING RIGHTS AND SUSPENSION

Section A. Membership; Voting Rights.

The Club shall have one class of members. Only natural persons can be members. The Club shall have two hundred sixty-six (266) memberships. Each member shall be entitled to one vote for each membership held. No more than one vote shall be cast with respect to each membership. If more than one natural person holds a membership, such persons must designate the person who shall be entitled to cast the vote attributable to the membership, by a writing signed by all the holders of the membership, filed with the Secretary of the Club. If no designation is filed the persons who hold such membership will not be entitled to vote. The Secretary may promulgate a form for such designation.

Section B. Suspension of Membership.

The rights of members to use the Marina property, including without limitation the slips assigned to their respective memberships, are subject to the payment of assessments, any installments thereof, special assessments levied by the Board, and any other monies owed to the Club. The obligation to pay assessments, installments

thereof, and special assessments, is imposed upon each member and each membership. During any period of time in which a member shall be in default of his obligation to pay any assessment, any installment thereof, any special assessment, or any other monies owed to the Club, the right of such member to use the Marina property, including without limitation the slip assigned to his membership, may upon reasonable notice be suspended by the Board until the assessment, installment thereof, special assessment, or other monies owed to the Club, have been paid. The same rights may also be suspended, after reasonable notice and an opportunity to be heard, for a period not to exceed sixty (60) days, for a violation of the By-Laws or Rules and Regulations.

Nothing herein shall be construed to obligate the Club to pay assessments, any installments thereof, or special assessments, with respect to any membership owned by the Club. The Club is exempt from the obligation to pay such sums.

ARTICLE VII ASSESSMENTS

Section A. Purposes of Assessments.

The Club will incur various expenses for the mutual benefit of the members. To provide the funds necessary to pay the expenses of the Club, it is hereby granted the right to levy and collect assessments, installments thereof, and special assessments against each member and each membership. Except as otherwise specifically provided in these By-Laws, each member and each membership shall be liable for an equal share of the expenses of the Club. Proper expenses of the Club include without limitation the cost of:

- (1) administration and management of the Marina property;
- (2) maintenance, repair, replacement and improvement of the Marina property;
- (3) such reserves for (i) contingencies, (ii) capital improvements or repairs, and (iii) mortgage amortization, as the Board may deem proper, provided that reserves for capital improvements or repairs or mortgage amortization shall be treated on the books of the Club as capital contributions and not as income;
- (4) taxes, utilities, and insurance for the Marina property;
- (5) professional and other services rendered to the Club or the Marina property;
- (6) and all other costs which reasonably promote the recreation, health, safety and welfare of the members and their continued use of the Marina property.

Section B. Creation of Lien and Personal Obligation.

Each member by the acceptance of a membership, regardless of whether it shall be expressed in the instrument selling, assigning

or otherwise transferring such membership, shall be deemed to have agreed to pay to the Club, such assessments, any installments thereof, and special assessments that are levied by the Board against the members and the memberships. To secure the obligation of each member to make timely payment of each assessment, any installment thereof, and special assessments, the Club shall have a lien against and security interest in each membership for the amount of unpaid assessments, any installments thereof, and special assessments, together with interest thereon as hereafter provided. The lien and security interest shall also secure attorney's fees and costs of collection or enforcement of the lien and security interest. Each assessment, any installments thereof, and special assessment, together with any interest thereon, attorney's fees and costs of collection or enforcement, shall be a personal obligation of the person who has the holder of the membership at the time payment of the assessment, any installment thereof, or special assessment or other sum was due. In the event a membership is held by more than one person, each person shall be jointly and severally liable.

The lien and security interest of the Club shall, to the extent permitted by law, be prior to all other liens and security interests. If any assessment, installment thereof or special assessment is not paid within twenty (20) days of the date due: (i) such sum shall bear interest at the maximum rate permitted by New York law; and (ii) the Club may bring an action at law against the member or former member personally obligated to pay the sum, and or the Club may bring an action to (iii) foreclose its lien and security interest in the membership. Nothing herein shall be construed to prohibit a deficiency judgment against a member or former member. The institution of an action at law or an action to foreclose its lien, shall not constitute an election of remedies by the Club. In the event of a judgment in favor of the Club, the judgment shall provide for the payment of interest, attorney's fees and costs of collection or enforcement of the lien and security interest.

If any installment of an assessment is not paid within twenty (20) days of the date due, the Board may in its discretion accelerate the due date of the remaining installments and declare the entire assessment due and payable in full. The Board shall promptly cause notice of such action to be given to the member.

Any person who acquires a membership by whatever means, shall take such membership subject to the lien and security interest of the Club.

Section B. Determination of Assessments.

The Board shall establish an annual budget in advance for each fiscal year. The budget shall project all expenses for the forthcoming year that may be required for the proper operation,

management, repair, replacement, improvement and maintenance of the Marina property and such allowances for any of the reserves permitted by these By-laws, as the Board shall deem proper. The budget shall project the reasonably anticipated income of the Club and the assessment to be levied against each member. The Board shall cause a copy of the proposed budget to be mailed to each member no later than ten (10) days prior to the Board meeting at which the Board shall consider the adoption of such budget. Should the Board at any time determine that the assessment levied pursuant to the budget, is or may be insufficient to pay the above mentioned expenses of the Club, the Board shall have the authority to increase the assessment or levy such special assessments as it shall deem proper. Any assessment levied may be made payable in installments, in the discretion of the Board. Each member and his membership shall be assessed an equal sum. the Club shall not be obligated to pay assessments, installments thereof, or special assessments, for any memberships owned by the Club.

Section D. Due Dates; Roster.

All assessments shall be payable annually, in full in advance, on the first day of the fiscal year, unless the Board shall provide for the payment of assessments in quarterly or semi-annual installments. The Board shall cause a roster to be maintained of the dates and amount of each assessment, any installments thereof, and special assessments levied against each member and membership, the dates when due, the dates and amounts of each payment, and the balance remaining unpaid. The roster shall be kept in the office of the Club and shall be available for inspection upon reasonable notice by any member. Upon the written request of any member, the Board shall promptly cause such member to be furnished with a written statement of the amounts due from such member.

Section E. Assets of the Club.

All monies collected by the Club under this Article shall be treated as assets and property of the Club. All such monies may be co-mingled with other monies of the Club. All such monies must be placed in an account in the name of or containing the name of the Club or the Marina property. When a member ceases to hold a membership by reason of sale, assignment or other transfer of his membership, the Club shall not be required to account to such member for any share of the monies or any of the other assets of the Club.

Section F. No Waiver

No member can exempt himself from liability for the payment of any assessment or any installment, or special assessment, levied against such member and his membership, by (i) waiver of his right to use or enjoy any portion of the Marina property including without limitation the slip assigned to his membership; or (ii) waiver of any service provided by the Club directly or indirectly; or (iii) otherwise.

Section G. Special Assessments

Each member and membership shall be held financially responsible for any loss or damage to Marina property and any cost of any corrective action necessitated by non-compliance with, or authorized by these By-Laws or the Rules and Regulations, caused by the conduct of such member or any person permitted on Marina property by such member, regardless of whether such member or person was negligent. The Board shall promptly levy a special assessment against any such member and membership, in the event payment for such loss or damage or corrective action is not promptly received.

Each member and membership shall be held financially responsible for any cost or expense of the Club, including without limitation any increased insurance premiums, taxes, fines, penalties, judgments or attorney's fees, incurred as a result of, or in connection with the failure of such member or any person permitted on Marina property by such member, to comply with any local, county, state or federal law, ordinance, regulation, rule or other valid governmental requirement. The Board shall promptly levy a special assessment against any such member and membership, in the event payment for such cost or expense is not promptly received. The

Board may in its discretion levy a special assessment against all members and memberships in the event of a casualty or other loss or damage, or to pay for the cost of an improvement, alteration, repair or replacement of Marina property, or to pay for the cost of any necessary service, professional or non-professional, or in any event if the assessment is inadequate to cover the expenses of the Club.

ARTICLE VIII TRANSFER OF MEMBERSHIP

Section A. Approval

Any sale, assignment or any other transfer of a membership shall be subject to the provisions of this Article, except for a sale, assignment or other transfer of a membership: (i) by or to the Club or its designee; or (ii) by a member to his spouse; or (iii) by a joint tenant to a fellow joint tenant. Any member entering into an agreement for the sale, assignment, or other transfer of his membership, is obligated to incorporate into such agreement by explicit reference, the provisions of this Article. Prior to the actual sale, assignment or transfer of a membership, the member must give the Board written notice, by certified mail, return receipt requested, of the name and address of the person to whom the sale, assignment or transfer is to be made, together with a copy of any agreement therefore, and any other information, and or interview, the Board may reasonably and promptly request. Within twenty-one (21) days of its receipt of the foregoing, the Board shall either approve or disapprove the proposed sale, assignment or transfer, and thereafter promptly notify the member of its decision.

Any such decision may be made on an arbitrary basis and the Board shall not be obligated to provide any explanation thereof, provided that no decision may be made upon a basis prohibited by law. In the event the Board fails to render a decision within such twenty-one (21) day period, its failure to make a determination shall be deemed an approval.

The lease or rental of a membership shall be a transfer within the purview of this Section. No lease or rental shall be for a term of less than one season as defined by the Rules and Regulations.

In the event of the death of a member and: (i) such decedent shall have conveyed or bequeathed his membership to some person other than his surviving spouse or joint tenant; or (ii) if some person other than decedent's surviving spouse or joint tenant is designated by decedent's legal representative to receive decedent's membership; or (iii) if under the applicable laws of descent and distribution the membership descends to some person other than decedent's surviving spouse or joint tenant; the Board shall be provided with written notice thereof by such other person or decedent's legal representative, by certified mail, return receipt requested, of the name and address of such legatee, distributee or other heir, together with any other information, and or interview, the Board may reasonably and promptly request. Within twenty-one (21) days of its receipt of the foregoing, the Board shall either approve or disapprove the legatee, distributee, or other heir, and thereafter promptly notify such person or decedent's legal representative of its decision. Any such decision may be made on an arbitrary basis and the Board shall not be obligated to provide any explanation thereof, provided that no decision may be made upon a basis prohibited by law. In the event the Board fails to render a decision within such twenty-one (21) day period, its failure to make a determination shall be deemed an approval.

No demand for or acceptance of any assessment or installment thereof or special assessment shall constitute or be deemed a consent, approval or waiver by the Club.

No sale, assignment or any other transfer of a membership, made in contravention of the provisions of this Article, shall be effective.

Section B. Procedure

No sale, assignment or other transfer of a membership shall be effective until (i) the purchaser, assignee or transferee has executed and delivered to the Board an agreement in a form authorized by the Board, assuming, agreeing and consenting to all of the provisions of these By-Laws, the Certificate of Incorporation, the Rules and Regulations, and any amendments thereto; (ii) all monies due from the present member and membership shall have been paid to the Club, together with a sum to be fixed by the Board to cover

reasonable legal and other expenses of the Club and any management agent in connection with such sale, assignment or transfer; and (iii) a search or certification is obtained from a title insurance or abstract company as the Board may require.

A proposed purchaser, assignee or any other transferee of a membership shall be entitled upon written request to a statement of the amounts due from the present member, provided the Board has been furnished with the notice and information described in Section A of this Article. The Board shall cause such a statement to be furnished within ten (10) days after receipt of such a written request. The statement shall be signed by an officer of the Club or any management agent, and the Club shall be bound by the contents of such statement.

The Board may authorize the preparation of a standard form of lease and or rental agreement and may require that any lease or rental of a membership be effected by such form of lease and or rental agreement.

Section C. Prohibited Transfers

No membership can be sublet or licensed. No member can lease or sublease or give a license to the slip assigned to his membership.

ARTICLE IX IMPROVEMENTS, ALTERATIONS, REPAIRS AND REPLACEMENTS

No member shall cause or permit any improvements, alterations, repairs, maintenance or replacements to be made to any Marina property, including without limitation the slip assigned to his membership. The Club is vested with the exclusive obligation and right to cause improvements, alterations, repairs, maintenance and replacements of Marina property.

ARTICLE X QUORUM, PROXIES AND WAIVERS

Section A. Quorum.

So many members as shall represent at least 51% of the total authorized votes of all memberships present in person or represented by written proxy shall be requisite to and shall constitute a quorum at all meetings of the Club for the transaction of business, except as otherwise provided by Statute, the Certificate of Incorporation or these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Club, the members entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting upon ten (10) days written notice to all members, until a quorum shall be present or represented, and at such adjourned meeting, any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting, so many members as shall represent at least 33-1/3% of the total authorized votes of all memberships shall constitute a quorum.

Section B. Vote Required to Transact Business

When a quorum is present at any meeting, the vote of 51% of the votes of all memberships present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all members, unless the question is one upon which, by express provision of the Statute, Certificate of Incorporation or these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section C. Right to Vote

Members shall be entitled to vote, subject to the provisions in Article VI, either in person or by proxy at any meeting of the Club. Any such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section D. Proxies

All proxies shall be in writing and shall be filed with the Secretary prior to the meeting in which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section E. Waiver and Consent

Wherever the vote of the membership at a meeting is required or permitted by Statute or by the Certificate of Incorporation or these By-Laws to be taken in connection with any action of the Club, the meeting and vote of the membership may be dispensed with if all members who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section F. Place of Meeting

Meetings shall be held at a suitable place within the State of New York, convenient to the members as may be determined by the Board and designated in the notices of such meeting.

Section G. Annual Meetings

The annual meeting of the membership of the Club shall be held on such date as is fixed by the Board. At such meetings there shall be elected by ballot of the membership a Board in accordance with the requirements of Article XI of these By-Laws. The members may also transact such other business as may properly come before the meeting.

Section H. Special Meetings

It shall be the duty of the President to call a special meeting of the Club, if so directed by the Board, or upon the

presentation to the Secretary of a petition signed by holders of a majority of the memberships.

Section I. Notice of Meetings

It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member, at least ten (10) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section J. Order of Business

The order of business at all meetings shall be as follows:

- (i) Roll call
- (ii) Proof of notice of meeting or waiver of notice
- (iii) Reading of minutes of preceding meeting
- (iv) Reports of officers
- (v) Reports of committees
- (vi) Appointment of inspectors of election (in the event there is an election)
- (vii) Election of Directors (in the event there is an election)
- (viii) Unfinished business
- (ix) New business

ARTICLE XI BOARD OF DIRECTORS

Section A. Number and Term

The number of Directors which shall constitute the whole Board shall be an odd number and not less than three (3), and not more than seven (7). An initial Board consisting of three (3) Directors shall be designated by the Sponsor to serve until the first annual meeting of the Club. The person who shall hold the office of President immediately prior to the first annual meeting shall be appointed a director by virtue of his office or former office to three (3) successive terms. Unless otherwise voted by the membership, at the first annual meeting and at all subsequent annual meetings the members shall vote for and elect seven (7) Directors to serve for one year terms and until their successors have been duly elected and qualified, subject to the right of appointment of the President or former president described above, to three (3) successive terms as one of the seven (7) or such other number of directors. All Directors, other than (a) those the Sponsor shall have the right to designate; and (b) the President or former President who shall be appointed by virtue of his office or former office; must be members. As required by law, each Director shall be at least eighteen (18) years of age.

Section B. Voting

The Directors shall be elected by plurality vote (cumulative voting prohibited). Each membership shall have one vote for each Director to be elected. No more than one vote will be allowed for each membership. If more than one person holds a membership, the holders of the membership must designate the holder entitled to cast the vote attributable to the membership, in a written instrument filed with the Secretary. The Secretary may promulgate a form of instrument.

Section C. Vacancy and Replacement

If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors though less than a quorum, at a special meeting of Directors duly called for this purpose, shall choose a successor, who shall hold office for the unexpired term in respect of which such vacancy occurred and until his successor is duly elected and qualified. In the event an initial Director appointed by Sponsor dies or resigns, or is removed from or otherwise leaves his office, the Sponsor shall have the right to appoint another Director in his place.

Section D. Removal

Directors may be removed for cause by an affirmative vote of a majority of the memberships. No Director, other than a designee of the Sponsor, shall continue to serve on the Board if, during his term of office, he shall cease to be a member.

Section E. Powers

1. The Marina property and business of the Club shall be managed by its Board, which may exercise all such powers of the Club and do all such lawful acts and things as are not by Statute, the Certificate of Incorporation or by these By-Laws, directed or required to be exercised or done by the members personally. These powers shall specifically include, but not be limited to the following:

- (a) To determine and levy assessments; and installments thereof.
- (b) To increase the assessments or vote special assessments;
- (c) To collect, use and expend the assessments and special assessments collected as provided in Article VII;
- (d) To improve, alter, repair, maintain and replace Marina property as provided in Article IX;

(e) To repair, restore, replace and reconstruct Marina property after damage by fire or other casualty or as a result of police power, condemnation or eminent domain proceedings;

(f) To open and maintain bank and similar accounts on behalf of the Club and to designate the signatories to such accounts.

(g) To invest funds of the Club in obligations of federally insured institutions and federal and state governments and authorities;

(h) To obtain and maintain adequate insurance for the Marina property in accordance with Article XV;

(i) To collect monies owed to the Club for assessments or otherwise, by an action at law or otherwise;

(j) To suspend the right of members to use the Marina property for failure to pay assessments, installments thereof, or special assessments, or other monies owed to the Club, or a violation of the By-Laws or Rules and Regulations, as provided in Article VI, or failure to furnish insurance certificates as provided in Article XV;

(k) To bring an action in equity to enjoin violations of or compel compliance with, the provisions of these By-Laws, the Rules and Regulations; to enjoin any nuisance, and any other conduct which unreasonably interferes with the proper operation and enjoyment of the Marina property, and to collect attorneys fees and costs connected therewith;

(l) To enact, amend, repeal and enforce reasonable Rules and Regulations, which shall be binding upon the members and all other persons on, in or about, the Marina property, provided such Rules and Regulations and amendments are enacted by resolution of the Board; (ii) notice thereof is given to each member, and (iii) a copy is posted in a prominent location on the Marina property;

(m) To employ or retain persons, enter into contracts or agreements, and purchase tools, supplies, material or equipment, to effectuate the obligations or purposes of the Club;

(n) To impose and collect fines, after reasonable notice and an opportunity to be heard;

(o) To generally have the powers of Directors in connection with the role of the Club or the Board as set forth in the Statute, the Certificate of Incorporation and these By-Laws.

The provisions of this Section shall be broadly construed.

2. The Board may, by resolution or resolutions, passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least three (3) Directors or members one of whom shall be a Director, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board in the management of the business and affairs of the Club and may have power to sign all papers which may be required, provided the said resolution or resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Committees established by resolution of the Board shall keep regular minutes of their proceedings and shall report the same to the Board as required.

Section F. Compensation

Directors and officers, as such, shall receive no compensation for their services in such capacity.

Section G. Meetings

1. The first meeting of each Board newly elected by the members shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board shall be held at the same place as the annual meeting of members and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board shall be set.

2. Regularly scheduled meetings of the Board may be held without notice.

3. Special meetings of the Board may be called by the President on two (2) days notice to each Director either by hand, mail, telegram, mailgram, telephone or similar method of communication. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) Directors.

4. At all meetings of the Board, a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by Statute, the Certificate of Incorporation, or these By-Laws. If a quorum shall not be present at any meeting of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum shall be present.

5. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section H. Annual Statement

The Board shall cause to be furnished to all members within four (4) months of the end of each fiscal year and shall present annually (at the annual meeting) and when called for by a vote of the members at any special meeting of the members, a full and clear statement of the business conditions and affairs of the Club, including a balance sheet and profit and loss statement audited by an independent public accountant and a statement regarding any taxable income attributable to the members and no less than ten (10) days nor more than thirty (30) days prior to the holding of the annual meeting of members, notice thereof.

Section I. Fidelity Bonds

The Board shall require that all officers, employees and agents of the Club handling or responsible for Club funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be an expense of the Club and or its agents.

Section J. Management Agent

The Board may employ for the Club a management agent under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including but not limited to all of the delegable duties of the Board listed in these By-Laws and the Rules and Regulations.

ARTICLE XII OFFICERS

Section A. Elective Officers

The officers of the Club shall be chosen by the Board and shall be a President, a Vice-President, a Secretary and a Treasurer. The Board may also choose one or more Assistant Secretaries and Assistant Treasurers and such other officers as in their judgment may be necessary. All officers must be either Directors or members.

Section B. Election

The Board, at its first meeting after each annual meeting of members, shall elect a President, a Vice-President, a Secretary and a Treasurer. Only the President must be a member of the Board.

Section C. Appointive Offices

The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms

and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section D. Term

The officers shall hold office for a period of one year and until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board.

Section E. The President

The President shall be the chief executive officer of the Club; he shall preside at all meetings of the members and the Board, shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Club, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a corporation organized under the Statute.

Section F. The Vice-President

The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice-President of a corporation organized under the Statute.

Section G. The Secretary

The Secretary and or Assistant Secretary shall attend all sessions of the Board and all meetings of members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of members and special meetings of the Board or members, and shall perform such other duties as may be prescribed by the Board or by the President, under whose supervision he shall be.

Section H. The Treasurer

The Treasurer shall have the custody of the Club funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Club including the vouchers for such disbursements, and shall deposit all monies, and other valuable effects in the name and to the credit of the Club in such bank and similar accounts as may be designated by the Board.

He shall disburse the funds of the Club as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Directors, at the regular meeting

of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Club.

He shall keep detailed financial records and books of account of the Club, including a separate account for each Member, which, among other things, shall contain the amount of each assessment installment thereof, and special assessment, the dates when due, the dates and amount of each payment, and the balance remaining unpaid.

Section I. Agreements, etc.

All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board.

ARTICLE XIII NOTICES

Section A. Definition

Whenever under the provisions of these By-Laws, notice is required to be given to the Board or to any Director or member, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board, such Director or member at such address as appears on the books of the Club.

Section B. Service of Notice; Waiver

Whenever any notice is required to be given under the provisions of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE XIV FINANCES

All checks, notes and other demands for money by the Club shall be signed by the President and Treasurer, or by such other officer or officers, or such other person or persons, as the Board may from time to time designate by resolution.

XV INSURANCE AND RISK OF LOSS

Section A. Coverage by Board

The Board shall obtain and maintain the following insurance coverage for the Marina property:

(1) Casualty insurance covering the buildings and improvements and contents thereof constituting Marina property, (but excluding any boat or vessel docked or moored therein), in an amount equal to the maximum insurance replacement value thereof. Such insurance shall provide coverage against

loss or damage by fire or other hazards covered by standard extended coverage with windstorm endorsement, and such coverage against other risks that are or will customarily be insured against with respect to similarly improved and situated properties operated as marinas, including without limitation, vandalism, malicious mischief, and such other coverage as the Board may deem appropriate.

(2) Public liability and property damage insurance in such amounts and form as the Board shall deem necessary, but in no event less than \$1,000,000. single limit coverage for personal injury.

(3) Workmen's compensation insurance to meet the requirements of law.

(4) Such other insurance coverage as the Board may determine to obtain.

All liability insurance shall contain cross-liability endorsements to cover the liability of the members as a group to each member. All casualty and flood insurance policies shall provide that the proceeds in the event of loss or damage shall be payable to the Club.

Section B. Coverage by Members

Each member may at his own expense, obtain insurance coverage for loss or damage to his boat or vessel and any other personal property belonging to such member. Each member will bear the risk of loss or damage to his boat, vessel or other personal property located in or about the slip assigned to his membership, or owned by the member, or which may at the member's request be repaired, located or stored on the Marina property.

Each member will be liable for injury or damage resulting from occurrences in or about his boat or vessel or other personal property located in or about the slip assigned to his membership, or owned by the member, or which may at the member's request or with his permission, be repaired, located, or stored on the Marina property.

Each member shall obtain and maintain at his own expense, personal liability insurance for injury or damage to the person or property of another, while on any boat or other vessel of the member, docked or moored at the slip assigned to his membership or which may at the member's request be repaired, located, or stored on the Marina property. The Club shall be named as a co-insured

under such liability policy and each member shall be obligated to furnish the Club with appropriate certificates evidencing such coverage. The Board shall fix the amounts of coverage required. Upon reasonable notice, the Board shall deny use of the Marina property including without limitation the applicable slip, to any member who fails to furnish the Club with such certificates, until such time as they are furnished.

XVI INDEMNIFICATION

The Club shall indemnify every Director and Officer and his heirs, executors and administrators, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by such person in connection with the defense of any action, and any appeal therein, except in relation to matters as to which such Director or Officer is adjudged to have breached his duty to the Club under Section 717 of the Statute. Indemnification shall not include amounts excluded by Section 722(b) of the Statute.

ARTICLE XVII AMENDMENTS

These By-Laws may be amended, repealed or added to at a duly called meeting of the members, provided that the notice of the meeting must contain a full text of the proposed change and the change must be approved by the vote of 66-2/3% of all the memberships, present in person or by proxy.

ARTICLE XVIII GENERAL PROVISIONS

Section A. Fiscal Year

The fiscal year of the Club shall be fixed by resolution of the Board.

Section B. Seal

The Club seal shall have inscribed thereon the name of the Club and the year of its incorporation under the laws of the State of New York. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section C. Examination of Books and Records

Each member, and his respective representatives, shall be entitled to a reasonable examination of the books and records of the Club at any time upon reasonable notice to its Board. The Certificate of Incorporation, By-Laws and Rules and Regulations shall be available for inspection by any member at the principal office of the Club.

Section D. Construction

Whenever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, whenever the context so requires. Whenever the term person is used in these By-Laws, it shall be construed to mean and include a natural person or any entity.

In the case of any conflict between the Certificate of Incorporation and these By-Laws, the Certificate shall control; and in the case of any conflict between these By-Laws and the Rules and Regulations, these By-Laws shall control.

Section E. Severability

Should any of the terms or provisions herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

RULES AND REGULATIONS OF
HARRIS BAY YACHT CLUB, INC.

All members and all other persons in, about or on the Marina property shall be bound by these Rules and Regulations, as they may be amended from time to time. The provisions of the By-Laws of Harris Bay Yacht Club, Inc. (the "Club") are hereby incorporated herein by reference in their entirety. Any waiver, consent or approval given pursuant to these Rules and Regulations by the Board or any management agent shall be revocable at any time and shall not be deemed a waiver, consent or approval of the same or identical practice or situation.

1. CHILDREN. No person under the age of 16 years shall be permitted on the Marina property unless accompanied and supervised by a parent-member or other adult-member.

2. APPEARANCE. Each member shall be obligated to keep the slip assigned to his membership in a neat, orderly and clean condition. The slips and docks shall be kept clear of all personal property except (i) in connection with actual loading and unloading of a boat or vessel; (ii) personal property owned by the Club; and (iii) personal property specifically authorized by the Board or any management agent in writing. Any lifeboat and or dinghy shall be stored aboard the boat or vessel or tied in the same slip as the boat or vessel. No motorized vehicle shall be operated or stored or otherwise permitted on the slips or docks.

3. PARKING. Each membership shall entitle the holder thereof to one parking space on the Marina property. No more than one motor vehicle shall be permitted on the Marina property for each membership unless specifically authorized by the Board or any management agent in writing. The Board may require that a sticker be affixed on the motor vehicle permitted on the Marina property and or the registration of such vehicles. No trucks with a maximum gross weight in excess of 9,000 pounds shall be parked on Marina property unless specifically authorized by the Board or any management agent. All motor homes, recreational vehicles, campers, trailers and similar vehicles shall be parked in area(s) specifically designated by the Board on the 10.58 acre parcel of Marina property located on the southerly side of Route 9L. Passenger and all other permitted motor vehicles shall be parked in the lot located on the 7.58 acre parcel of Marina property located on the northerly side of Route 9L. No motor vehicle shall be permitted on any other Marina property other than accessways to Route 9L, unless specifically authorized by the Board or any management agent. No motor vehicle shall be operated on the Marina property in excess of five (5) miles per hour.

4. PETS. No pets other than cats or dogs shall be permitted on the Marina property and then only for the purpose of embarking on and disembarking from boats or vessels. Any cat or dog must be leashed or carried. Any feces produced by a dog must be promptly disposed of in a sanitary manner.

5. REGISTRY OF BOATS AND VESSELS. No boat or vessel shall be permitted in or about any slip assigned to a membership unless the Club or any management agent is previously provided with a registration or other satisfactory documentation establishing that such boat or vessel is owned by the member to whom the slip is assigned, or an approved lessee or tenant of the membership to which the slip is assigned. The Club or any management agent shall maintain a registry of all such permitted boats and vessels including without limitation the names of the owner and the boat, the serial and registration numbers, the name and address of the insurer.

7. COMPLIANCE WITH LAW. All boats and vessels and all persons in or about the Marina property, including without limitation the slips, shall comply with all applicable local, county, state and federal laws, ordinances, regulations, rules and other valid governmental requirements.

8. LIMITATION OF LIABILITY. Each member and any other person in or about the Marina property, assumes the risk of loss or damage to any boat or vessel or other personal property owned by such person. The Club shall have no liability or responsibility for such property.

9. TRASH. No foreign material, substance or liquid shall be thrown, dumped, pumped, or otherwise allowed into the water in or about the Marina property. All garbage shall be deposited in receptacles that shall be provided by the Club or removed from the Marina property by the members. Any foreign material, substance or liquid other than garbage shall be deposited in receptacles that may be provided by the Club in its discretion or removed from the Marina property by the members.

10. SANITARY FACILITIES. All boats and vessels in or about the Marina property, including without limitation the slips, shall comply with Section 33-a of the Navigation Law. Each member shall provide the Club prior to the commencement of each Season:

(a) An affidavit verifying that the boat or vessel that will utilize the assigned slip for the Season (and any substitute boat or vessel) complies with the Statute. The Board may promulgate a mandatory form of affidavit; and

(b) Documentary proof that the boat or vessel was inspected by the Lake George Park Commission and found to comply with the Statute.

11. DOCKING. Each member is exclusively responsible for the secure and proper docking of his boat or vessel and the maintenance of docking lines in good condition, sufficiently strong to secure his boat or vessel at all times. The Club or any management agent has no obligation, but shall be empowered to provide proper docking lines in the event any member fails to do so.

12. AQUATIC USES. No swimming, diving, fish cleaning, fishing, wind-surfing, bathing, or similar activity shall be permitted in or about or from the Marina property, including without limitation the slips, nor in or about or from the boats or vessels while in or about the slips.

13. BARBEQUES AND PICNICS. No picnics and no charcoal barbeques shall be permitted in or about the Marina property, including the slips, nor on or about any boats or vessels therein, except in such areas and grills as the Board or any management agent may expressly permit.

14. LIMITATIONS ON NATURAL PERSONS. No membership shall permit more natural persons than can safely be accommodated, in or about the Marina property, at any time, as determined by the Board or any management agent.

15. EMPLOYEES. No member shall utilize any employee of the Club or any management agent, for any personal business of the member.

16. PERSONAL PROPERTY AND SIGNS. No laundry, wash or other article shall be hung anywhere outside of a boat or vessel, except in such areas as the Board or any management agent may expressly permit. No sign, notice or advertisement shall be placed in or about the Marina property including the slips, nor on or about any boats or vessels therein, without the prior written permission of the Board or any management agent.

17. SOLICITATION. No sale, solicitation, advertising, promotion, or other offering shall be conducted in or about the Marina property, including the slips without the prior written approval of the Board or any management agent.

18. FLAMMABLE MATERIAL. The use of any open flame other than a match or cigarette lighter or a gas stove or oven, or a charcoal barbeque flame expressly permitted pursuant to these Rules and Regulations, is prohibited in or about the Marina property, including the slips and any boats or vessels therein, without the prior written approval of the Board or any management agent. No

smoking is permitted in or about the gas dock or any other portion of the Marina property so designated by the Board and posted as such. Fuels shall not be stored other than in tanks which are integral parts of boats or vessels or motor vehicles, without the prior written approval of the Board or any management agent. Gasoline shall not be transported or carried on the docks or slips unless contained in a secure can designed for such purpose and to be used in connection with an outboard motor.

19. STORAGE OF PERSONAL PROPERTY. No personal property shall be stored in or about the Marina property, unless specifically authorized by the Board or any management agent.

20. REPAIRS. No boat or vessel shall be repaired, painted, overhauled, refitted or altered in or about the Marina property, including the slips, without the prior written approval of the Board or any management agent.

21. LEAKAGE. Each member shall be responsible for pumping his boat or vessel when necessary. Each member shall be responsible for curing forthwith any unusual leakage. In the event any boat or vessel sinks in or about the Marina property, including the slips, the owner-member or his approved lessee or tenant-owner shall cause it to be repaired or removed within seventy-two (72) hours. In the event the owner-member or his approved lessee or tenant-owner fails to act, the Board or any management agent shall be empowered to cause such boat or vessel to be repaired or removed.

24. STORAGE. The Club shall provide storage space for the "Off-Season" defined below. Each member shall have the right to storage of his boat or vessel during the Off-Season. The Club shall impose no fee for outdoor storage of one boat for each membership. Indoor storage shall be available on a first come, first served basis, with a priority given to members who leased indoor storage space during the preceding Off-Season. The Club shall impose reasonable fees to be fixed by the Board for indoor storage. Outdoor storage shall be provided for the remaining members. Any outdoor storage space not used by a member, may be leased to non-members. The Board or any management agent shall maintain a waiting list of members desiring indoor storage space. The Board or any management agent shall give members notice of a final date for the membership electing to use storage space, before leasing space to non-members.

25. SEASON. The right of the members to use the slips assigned to their membership is limited to the "Season." Subject to extraordinary weather, the Season shall commence on or about the weekday immediately preceding the Memorial Day holiday weekend and terminate on or about the weekday immediately following the Columbus Day holiday weekend. The balance of the year shall constitute "Off-Season." Inasmuch as the launching and removal of boats and vessels will require an extended period of time, some members will have the benefit of but not the right to an extended Season, determined as follows. The boats and vessels stored or to

be stored on the Marina property shall be launched and removed to storage in whatever order the Board or any management agent shall determine in its discretion. Any boats or vessels not stored or to be stored on the Marina property shall be delivered by the member for launching and or transported by the member upon removal from the water, as the case may be, on the date and at the location fixed by the Board or any management agent in its discretion. The Club shall impose no fee for launching or removing one boat for each membership at or about the respective commencement and termination of the Season. No boats or vessels shall be permitted on the 7.58 acre parcel of Marina property located on the northerly side of Route 9L, after the Monday preceding the Memorial Day holiday weekend, without the prior written approval of the Board or any management agent.

26. MOVEMENT OF BOATS AND VESSELS. The Club and any management agent shall have the right to move any boat or vessel that is placed or permitted to remain in or about any portion of the Marina property in violation of the By-Laws or these Rules and Regulations.

27. STORAGE BUILDINGS. No person shall enter or remain in any storage building or shop unless accompanied by an employee or officer of the Club or any management agent.

28. MAIN OFFICE BUILDING. Any member and any person permitted on the Marina property by any member may use the lounge, restrooms and showers in the main office building. No parties, meetings or other organized gatherings shall be held in the main office building without the prior written approval of the Board or any management agent. The Board may impose a reasonable fee as a condition of granting approval. No approval shall be granted unless a member assumes financial responsibility for all costs and expenses incurred by the Club as a result of or in connection with such gathering including without limitation the cost of cleaning.

SUBSCRIPTION AGREEMENT

for Membership in
HARRIS BAY YACHT CLUB, INC.

Purchaser: _____

Slip No.: _____

Purchase Price: \$ _____

Down Payment: \$ _____

Balance: \$ _____

Complete the following only if Purchaser is not presently entitled to the use of the slip noted above at Yardarm Marina.

Slip is Vacant: Yes () No ()

If slip is occupied, "Boatowner's Agreement" expires: _____
198__.

1. Definitions

The following terms when used in this agreement, will have the meanings set forth below:

A. "Purchaser" shall mean the person or persons who are named on the first page of this agreement and sign this agreement at the end.

B. "Agreement" shall mean this Subscription Agreement for a membership in Harris Bay Yacht Club, Inc.

C. "Club" shall mean Harris Bay Yacht Club, Inc., a New York not-for-profit corporation.

D. "Sponsor" shall mean Yardarm Development Associates, a New York limited partnership.

E. "Marina property" shall mean the land, buildings, personal and other property owned by the Club.

F. "Slip" shall mean the slip identified on the first page of this agreement, that has been or will be assigned to the membership that is the subject of this agreement.

G. "Membership" shall mean the interest held by a member of the Club that is the subject of this agreement.

H. "Purchase Price," "Down Payment," and "Balance" shall mean the respective sums set forth on the first page of this agreement.

I. "Closing Date" shall mean the date on which title to the Marina Property is transferred from the Sponsor to the Club.

J. "Plan" shall mean the offering plan for the sale of memberships in the Club.

K. "Amendment" shall mean an amendment to the Plan.

L. "Selling Agent" shall mean Yardarm Marina, Inc. a New York limited partnership and or any other Selling Agent named in the Plan or an amendment.

2. Plan

A. Purchaser acknowledges having received and read the Plan for the sale of memberships in the Club and any amendments to the Plan. The Plan is made a part of this agreement by expressly incorporating the terms of the Plan into this agreement by reference to the same extent as if the Plan were set forth in this agreement.

If there is any inconsistency between the provisions of this agreement and the provisions of the Plan, the provisions of the Plan will govern and be binding.

B. Purchaser understands that he may cancel this agreement for any reason within seven (7) business days after signing this agreement and submitting it to the Club or any Selling Agent. To cancel, the Purchaser must send the Club written notice of cancellation, by certified mail, return receipt requested. If the Purchaser does cancel this agreement under this provision, the Club will promptly refund all monies paid under this agreement without interest.

C. Purchaser acknowledges and understands that if he complies with his obligations under this agreement and the Plan is declared effective, the Purchaser will become a member of the Club. Membership in the Club involves both rights and obligations. These rights and obligations are set forth in the By-Laws and Rules and Regulations of the Club. Purchaser understands that as a member, he will be subject to all the provisions of the By-Laws and Rules and Regulations. Purchaser accepts and approves the By-Laws and Rules and Regulations by signing this agreement.

3. Agreement to Purchase and Sell

By signing this agreement the Purchaser will be obligated to proceed on the terms set forth in this agreement with the purchase of the membership, that will entitle him to use the slip. By signing this agreement the Club will be obligated to proceed on the terms set forth in this agreement, with the sale of the membership to the Purchaser, that will entitle him to use the slip.

4. Payment of the Purchase Price

A. The purchase price to be paid for the membership is set forth on the first page of this agreement. Purchaser will be required to pay the purchase price to the Club as follows:

(i) The down payment is due at the same time this agreement is submitted to the Club or any Selling Agent.

(ii) The balance is due within fifteen (15) days after a written demand is mailed for the payment of the balance, by the Club or any Selling Agent. The written demand will not be mailed until:

(a) The Plan is declared effective in accordance with the provisions of the Plan and any amendments; and

(b) The Closing Date is scheduled for a date within sixty (60) days.

The demand will contain a statement that the Closing Date is scheduled for a date within sixty (60) days. However, if this agreement is signed after the plan is declared effective and the Closing Date scheduled, then the entire purchase price is payable at the time this agreement is submitted to the Club or any Selling Agent by the purchaser's certified check or an official cashier's check. The check must be drawn on a bank located in the State of New York.

B. If the Purchaser wants to finance any part of the purchase price and make this agreement contingent upon obtaining a loan from the Club, he must sign and submit a Financing Contingency Rider, at the same time he signs and submits this agreement. If the Purchaser signs and submits a Financing Contingency Rider, and the Club agrees to provide the Purchaser with a loan, then the balance due within fifteen (15) days after the written demand will not include the amount of the loan that will be made by the Club, but only if before the end of the fifteen (15) day period, the purchaser delivers to the Club; signed financing and loan documents required by the Club; and checks for the payment of the legal fees described in paragraph 5 of this agreement. The financing and loan documents will include without limitation: a note, pledge agreement, assignment of membership, UCC-1 financing statements and disclosure statements. If financing is being provided by the Club and the Purchaser complies with the provisions of this agreement, then only the unfinanced portion of the balance is due before the end of the fifteen (15) day period.

C. Purchaser is obligated to pay the applicable sales tax at the same time the balance is due, or if financing is being provided by the Club, at the same time the signed financing and loan documents are due.

D. The down payment may be paid with the Purchaser's personal check or certified personal check or an official cashier's check. The balance and applicable sales tax must be paid with Purchaser's personal certified check or an official cashier's check. The balance and sales tax must be paid with separate checks drawn on a bank located in the State of New York. All checks must be unendorsed and made payable to "Yardarm Marina Special Account."

5. Payment of Legal Fees.

If the Purchaser finances any part of the purchase price of the membership with a loan from the Club, the Purchaser is required to pay legal fees as described in Paragraph 4 of this agreement. A legal fee in the amount of \$125.00, is charged by the law firm of Wofsey, Certilman, Haft, Lebow & Balin, in connection with their preparation of the financing and loan documents. A legal fee in the amount of \$75.00 is charged by Walter Rehm, Esq. in connection with his review of the financing and loan documents. The legal fees must be paid by the Purchaser's personal certified check or official cashier's check. The legal fees must be paid with checks drawn on a bank located in the State of New York. The checks must be unendorsed and made payable to "Wofsey, Certilman, Haft, Lebow & Balin," and "Walter Rehm" respectively.

6. Trust Funds

A. All monies received by the Club, directly or through its agents or employees will be held in trust and escrow until the Marina property is transferred to the Club or upon default by the Purchaser, cancellation or abandonment or withdrawal of the Plan. All monies received under this agreement will be deposited in a segregated account entitled "Yardarm Marina Special Account" or similar name, in the First National Bank of Glens Falls, 350 Canada Street, Lake George, New York 12845. Such monies will not be commingled with any other funds. The signature of Walter O. Rehm, III, Esq., 175 Ottawa Street, Lake George, New York 12845 will be required to withdraw monies from the account. All monies received under this agreement will be handled in accordance with Sections 352-e(2-b) and 352-h of the General Business Law. The monies so deposited will be disbursed only in accordance with the provisions of this agreement and the Plan. In the event the Plan is abandoned or withdrawn, the monies will be returned to Purchaser, together with any interest earned on the monies.

B. If purchaser fails to pay any portion of the balance of the purchase price when due, as required by this agreement, the Club may elect to cancel this agreement by written notice, sent by certified mail, and thirty (30) days after the date of mailing of the notice (unless Purchaser pays the balance prior to the expiration of thirty (30) days) the notice will be effective and this agreement will be cancelled and all rights of the Purchaser and the Club under this agreement will terminate, except that the monies paid under this agreement will be retained by the Club as liquidated damages. Neither Purchaser nor the Club will have any other claim against each other or the Sponsor, or Counsel for the Sponsor or the Club, or any other person who participated in the preparation or presentation of the Plan or the sale of the memberships, in the connection with this agreement or the Plan, and all such parties and persons will be released from all liabilities and obligations under this agreement and the Plan. If this agreement is cancelled the Club will have the right to sell the membership to another purchaser as though this agreement had never been made. If the Purchaser does default, the limit of liability under this agreement will be the loss of the down payment and any portion of the balance paid. However, the Purchaser's liability will not exceed 10% of the purchase price.

7. Closing Contingent on Plan Being Declared Effective

A. The respective obligations of the Purchaser and the Club under this agreement are contingent upon the Plan being declared effective. The Plan will not be declared effective except in accordance with the prerequisites set forth in the Plan, and any amendments. Purchaser understands and agrees that the Club will have the right to abandon the Plan at any time prior to its being declared effective or thereafter, in certain limited cases. The Plan will be abandoned or deemed abandoned if it has not been

declared effective within the time limits prescribed in the Plan. The Club or any Selling Agent will promptly notify Purchaser, in writing, when the Plan becomes effective or is abandoned.

B. If the Plan is abandoned or does not become effective for any reason within eighteen (18) months from the date it is accepted for filing, or if after being declared effective the Plan is not consummated for any reason within the time limits set forth in Paragraph 8 of this agreement, this agreement will be cancelled and the Plan terminated and all monies paid by Purchaser under this agreement together with any interest earned on the monies will be returned to the Purchaser, not later than ten (10) days later. Upon repayment, Purchaser and the Club will have no claim against each other or the Sponsor, or Counsel for the Sponsor or the Club, or any other person who participated in the preparation or presentation of the Plan or the sale of memberships, in connection with this agreement or the Plan, except for any intentional and unjustified breach of contract or fraud, and all such parties and persons will be released from all liabilities and obligations under this agreement and the Plan.

8. Closing Date

The Closing Date will occur on the date and at the time and place designated by the Sponsor pursuant to the Plan. The Closing Date will not be earlier than thirty (30) days, nor later than approximately one hundred eighty (180) days, after the presentation of an amendment to the Plan disclosing that the Plan has been declared effective, unless adjourned by Sponsor. On the Closing Date, Purchaser will become the holder of the membership and will be entitled to use the slip assigned to the membership, provided Purchaser paid the balance and otherwise complied with all his obligations under this agreement.

9. Events of Default

A. The following will constitute Events of Default under this agreement:

(i) The failure to pay the balance within fifteen (15) days after written demand, as required under Paragraph 4 of this agreement;

(ii) If a portion of the balance is being financed by the Club and payment of that portion has been deferred as permitted under Paragraph 4, the failure of Purchaser to fulfil any of his obligations as a borrower;

(iii) If Purchaser is or becomes a tenant or licensee of the Marina property, Purchaser's failure to pay rent or otherwise to comply with his license, lease or tenancy obligations, which results in his eviction from the Marina property (either by voluntary removal or by Court order); or

(iv) The failure to perform any of Purchaser's other obligations under this agreement, which is not cured within fifteen (15) days after the mailing of written notice specifying the nature of the default.

B. Upon the occurrence of an Event of Default, the Club may elect to cancel this agreement by sending Purchaser written notice of its intention to cancel by certified mail. If the Club elects to cancel, Purchaser will have thirty (30) days within which Purchaser must cure the specified default. Time is of the essence to cure the default within the thirty (30) day period. If the default is not timely cured, then this agreement will be cancelled and the Club will have the right to retain, as liquidated damages, 10% of the purchase price (or if less monies have been paid under this agreement then only the monies paid will be retained). Any monies in excess of 10% will be returned to Purchaser promptly. Upon cancellation of this agreement and making the refund (if any) to Purchaser, the Club and the Purchaser will have no claim against each other, nor will Purchaser have any claim against Sponsor, or Counsel for the Sponsor or the Club, or any other person who participated in the preparation or presentation of the Plan or the sale of memberships, in connection with this agreement or the Plan, and all such parties and persons will be released from all liabilities and obligations under this agreement and the Plan. Thereafter, the membership may be sold to another as though this agreement had never been made, and without accounting to Purchaser for the proceeds of such sale.

C. If Purchaser is or becomes a tenant of the Marina property and he fails to comply with his lease or tenancy, his failure will constitute a default under this agreement. However, this agreement will remain in effect, unless and until Purchaser is evicted (either by Court order or voluntary removal). If the Purchaser is not evicted, the Sponsor will have a lien and security interest in the membership to secure the payment of all rent arrears and other monies owed to the Sponsor as a result of the default. The Purchaser irrevocably authorizes the Sponsor or its agents to sign and file UCC-1 financing statements on behalf of the Purchaser to perfect the Sponsor's lien and security interest. The Club is authorized to pay any rent arrears and other monies owed to Sponsor as a result of the default, on the Closing Date. If the Club makes such a payment, the Purchaser will be obligated to reimburse the Club.

10. Acceptance of Condition of Marina Property

Purchaser acknowledges that he will be obligated to accept the Marina property in the condition it exists on the Closing Date, provided Sponsor fulfills its obligations under the Plan with respect to the condition of the Marina property. Purchaser acknowledges having read the physical description of the Marina property prepared by Raymond J. Buckley, P.E., set forth in Part II of the Plan. Purchaser understands that the Club and the Sponsor have no obligation to make any repairs or improvements to the Marina pro-

perty other than as described in the Plan. The Sponsor has agreed in the Plan to maintain the buildings and improvements on the Marina property until the Closing Date, in substantially the same condition as they were in on the date the Plan was accepted for filing, unless prevented from doing so by reason of acts or events beyond Sponsor's control, as more specifically described in the Plan.

11. Risk of Loss

A. Unless Purchaser enters into a written Boatowner's Agreement with the Sponsor, Purchaser will not be entitled to use the slip assigned to his membership until the Closing Date. Sponsor may in its discretion, give the Purchaser the right to use the slip prior to the Closing Date, under an interim Boatowner's Agreement, if the slip is currently, or later becomes, vacant.

B. If Purchaser is the current user of the slip assigned to the membership, or if the Purchaser is given the right to use the slip under an interim Boatowner's Agreement or otherwise, only the Purchaser will be liable for any damage resulting from his use or occupancy of the slip. Neither the Sponsor nor the Club will be obligated to make any repairs to the slip, except as follows. Prior to the Closing Date the Sponsor will be obligated to make any repairs required of Sponsor under any current or interim Boatowner's Agreement. After the Closing Date the Club will be obligated to make repairs and the Purchaser will be obligated to pay for all or part of the repairs, as described in the By-Laws and Rules and Regulations.

C. If the slip is damaged by casualty or otherwise while the Purchaser is the user or occupant, the Purchaser will bear the risk of loss unless the cause of the damage, was not an act or omission of the Purchaser or any person permitted on the Marina property by the Purchaser. All other risk of loss prior to the Closing Date has been assumed by the Sponsor to the extent described in the Plan. If the cause of the damage was not an act or omission of the Purchaser or a person permitted on the Marina property by the Purchaser, and the slip is not repaired by the Closing Date, then upon the request of the Purchaser, this agreement will be cancelled and all monies paid under this agreement will be refunded to the Purchaser, if this agreement is still in effect and the Purchaser is not in default of his obligations under this agreement beyond the applicable grace period. Upon cancellation of this agreement and making the refund to Purchaser, the Club and the Purchaser will have no claims against each other, or the Sponsor, or Counsel for the Sponsor or the Club, or any other person who participated in the preparation or presentation of the Plan or the sale of memberships, in connection with this agreement or the Plan, and all such parties and persons will be released from all liabilities and obligations under this agreement and the Plan. Under no circumstances will the Sponsor be obligated to repair any damage that may occur after the Closing Date.

D. If Purchaser is obligated to repair the damage to the slip assigned to his membership, the Purchaser's failure to make the repair will not excuse him from paying the balance of the purchase price and accepting the membership. If the Sponsor is obligated to make the repair, the Purchaser is not required to pay the balance or accept the membership unless and until: (i) the slip has been substantially repaired to as near as reasonably possible to its condition immediately prior to the damage, and (ii) electricity and the dock providing access to and from the slip have been restored.

12. Sale Subject to Existing Occupancy*

A. Purchaser acknowledges that on the date this agreement is signed, the slip is occupied under a Boatowner's Agreement or subject to a Boatowner's Agreement, expiring on 198 . Purchaser understands that so long as the occupant continues to pay the required sums and complies with his other obligations as an occupant, the occupant will have the right to occupy the slip until his Boatowner's Agreement expires. Purchaser acknowledges that no representation or statement has been made (and if any has been made the Purchaser understands that it was unauthorized and may not be relied upon) as to the length of time that may elapse before he will be able to use the slip. If the occupant does wrongfully remain in occupancy beyond the date his Boatowner's Agreement expires, the Club will be obligated to take appropriate legal action to recover possession of the slip.

B. If this agreement is for a membership that is assigned a slip not occupied by the Purchaser, during the exclusive purchase period granted to the occupant of the slip, under the Plan or any amendment, the membership may be purchased by the occupant. If the occupant signs and submits a subscription agreement together with the required downpayment, during the exclusive purchase period, this agreement will be cancelled. Within ten (10) days of the date of cancellation, the Club will refund to the Purchaser, all monies paid by Purchaser under this agreement, together with any interest earned on the monies. Upon repayment, Purchaser and the Club will have no claim against each other, nor will Purchaser have any claim against Sponsor, or Counsel for the Sponsor or the Club, or any other person who participated in the preparation or presentation of the Plan or the sale of memberships, in connection with this agreement or the Plan, and all such parties and persons will be released from all liabilities and obligations under this agreement and the

*This paragraph will not be applicable and will not be effective if the Purchaser is the occupant or user of the slip assigned to the membership being purchased on the date this agreement is signed or the slip is vacant and not subject to a Boatowner's Agreement.

Plan.

13. Purchaser's Representations

Purchaser (and any individual signing this agreement on behalf of Purchaser) represents that:

A. He is at least eighteen (18) years of age;

B. No representation or statement has been made by the Club or any person on behalf of the Club, that the membership will appreciate in value, or serve as an investment, or otherwise result in any return on the monies paid under this agreement;

C. No representation or statement has been made by the Club or any person on behalf of the Club, that a market will exist for the resale of the membership, or that the Purchaser will be able to resell the membership or that the Club or any other person will repurchase the membership;

D. The sale of the membership was made solely upon the provisions of the Plan and any amendment, without any duress or other improper sales practices.

14. Broker

Purchaser represents to the Club that Purchaser has not dealt with any broker or selling agent in connection with the purchase of the membership, other than any Selling Agent named in the Plan or any amendment. The Club will pay any commission owed to any Selling Agent named in the Plan or any amendment, in accordance with the terms of the Club's agreement with the Selling Agent. If any claim is made against the Club or the Sponsor for commissions by any broker or selling agent, other than any Selling Agent named in the Plan or an amendment, as a result of the acts of the Purchaser or his authorized representatives, the Purchaser will be responsible for and promptly pay all liabilities, costs and expenses incurred in connection with the claim. The costs and expenses will include without limitation, reasonable attorneys fees and disbursements. The provisions of this Paragraph will survive and continue to be enforceable after the Closing Date.

15. No Lien; Subordination

This agreement and all monies paid under this agreement do not constitute a lien against the Marina property. This agreement and all monies paid under this agreement will be subject and subordinate to any mortgage that currently or subsequently is given on the Marina property and to any expenses, payments and advances previously or subsequently made under any mortgage.

16. Entire Agreement

This agreement together with the Plan and amendments, is the entire agreement between the Purchaser and the Club concerning

the Club and the membership. There are no other statements or representations that are a part of the agreement between Purchaser and the Club. Purchaser acknowledges that he signed this agreement without relying upon any statements or representations, or any other matter, expressed or implied, oral or written, not set forth in this agreement or the Plan or an amendment. Purchaser acknowledges that before he signed this agreement, he was given an adequate opportunity to read the Plan, any amendments and this agreement and to consult with his attorney.

17. Modification

This agreement cannot be changed orally. It can only be changed in writing and the writing must be signed by the party against whom the change is sought to be enforced.

18. Agreement Not Assignable; Binding Effect

This agreement cannot be assigned or otherwise transferred by the Purchaser without the written consent of the Club. This agreement is binding upon the Purchaser, and all persons who succeed to any or all of the rights, obligations or role of the Purchaser under this agreement. This agreement is binding upon the Club and all persons who succeed to any or all of the rights, obligations or role of the Club. This agreement is made for the benefit of the Sponsor to the extent explicitly set forth. Any assignment or other transfer of this agreement, made without the written consent of the Club, will be null and void.

19. Gender

Wherever the term "Purchaser" is used in this agreement it will be construed to read "Purchasers" if more than one person is buying the membership. If more than one person is purchasing the membership, they will be jointly and severally liable for the obligations of the Purchaser under this agreement. Wherever the masculine singular form of the pronoun is used in this agreement it will be construed to read the masculine, feminine or neuter; and singular or plural form of the pronoun, whenever appropriate.

20. Governing Law

This agreement will be governed by, construed and enforced in accordance with the laws of the State of New York.

21. No Waiver

No provision of this agreement will be invalid, unenforceable or waived because of any failure to seek enforcement of the provision, regardless of the number of violations or defaults that may occur.

22. Captions

The captions used in this agreement are provided as a matter of convenience only. They do not in any manner define, limit or describe the provisions of this agreement or the intentions of the Club or the Purchaser.

23. Notices

Notices must be delivered by hand or sent by mail as follows; to the Purchaser at the address set forth at the end of this agreement, and to the Club c/o Wofsey, Certilman, Haft, Lebow & Balin, 55 Broad Street, 16th Floor, New York, New York 10004, Attention: Mark Tipperman.

24. Agreement Subject to Acceptance by the Club

A. If Purchaser is the current occupant of the slip assigned to the membership, this agreement will be accepted by the Club, if the Purchaser signs this agreement and submits it to the Club or any Selling Agent, with the required down payment, before the expiration of the exclusive purchase period set forth in the Plan and any amendment.

B. Under all other circumstances, this agreement may or may not be accepted by the Club, in its complete discretion. The Club has the right to arbitrarily reject this agreement. The discretionary decision of the Club to reject this agreement is not subject to any review. This agreement may be rejected without any explanation to the Purchaser. This agreement will not be rejected because of Purchaser's sex, race, creed, color, national origin, ancestry, disability or other ground prohibited by law.

C. The Club will notify the Purchaser in writing within twenty (20) days of its receipt of this agreement, if the Club exercises its right to reject this agreement. If this agreement is rejected, all monies paid under this agreement will be refunded within ten (10) days, together with any interest earned on the monies. Upon repayment, Purchaser and the Club will have no claim against each other, nor will Purchaser have any claim against the Sponsor, or Counsel for the Sponsor or the Club, or any other person who participated in the preparation or presentation of the Plan or the sale of memberships, in connection with this agreement or the Plan, and all such parties and persons will be released from all liabilities and obligations under this agreement and the Plan. This agreement will not be binding upon the Club until a duplicate, signed by the Club or its duly authorized agent, is sent to the Purchaser.

25. Material Changes

In the event the Club makes a change in the terms or conditions of the offering of the memberships that materially adversely affects the rights of the Purchaser or the value of the membership,

the Club will notify the Purchaser by an amendment to the Plan within twenty (20) days of the acceptance of the amendment for filing. Purchaser will be given thirty (30) days to elect to cancel this agreement by written notice to the Club. If the Purchaser cancels this agreement, the Club will, within ten (10) days, refund all monies paid under this agreement, together with any interest earned on the monies. Upon repayment, Purchaser and the Club will have no claim against each other, nor will Purchaser have any claim against the Sponsor, or Counsel for the Sponsor or the Club, or any other person who participated in the preparation or presentation of the Plan or the sale of memberships, in connection with this agreement or the Plan, except for any intentional and unjustified breach of contract or fraud, and all such parties and persons will be released from all liabilities and obligations under this agreement and the Plan.

26. Merger

The representations made by the Purchaser in this agreement will continue to be in effect after the Closing Date. In the absence of a specific provision to the contrary, all other provisions of this agreement will not survive the Closing Date.

Dated: Cleverdale, New York

_____, 198__

Purchaser

Purchaser

Street Address

Post Office, State, Zip Code

()

Area Code, Telephone No.

Accepted By:
Harris Bay Yacht Club, Inc.

By: Yardarm Marina, Inc.
Selling Agent

By: _____

FINANCING CONTINGENCY RIDER

Rider to Subscription Agreement dated
198 , between Harris Bay Yacht Club, Inc. (the "Club" and
(the "Purchaser").

1. This Rider is deemed to be incorporated by reference into the Subscription Agreement described above as if set forth in its entirety.

2. Purchaser has notified the Club that Purchaser intends to pay a portion of the balance of the purchase price of the membership with the proceeds of a loan from the Club.

3. Contemporaneously with the signing of this Rider, Purchaser has applied for a loan from the Club as described in the Plan. Purchaser's application is subject to credit approval of the Purchaser by the Club.

4. Purchaser agrees to pay the Club a non-refundable credit fee in the amount of \$100. The fee may be paid by Purchaser's personal check.

5. Purchaser's obligations under the Subscription Agreement are contingent upon the Club's agreement to provide the loan the Purchaser is contemporaneously applying for.

6. If the Club does not agree to provide the loan within sixty (60) days of the date the Subscription Agreement is submitted to the Club or any Selling Agent, Purchaser may within the next (30) days, elect to cancel the Subscription Agreement by written notice to the Club. If Purchaser fails to provide notice of cancellation to the Club then the contingency provided for in this Rider shall be deemed to have been fulfilled and the Purchaser will be obligated to perform all of his obligations under the Subscription Agreement.

7. If the Club agrees to provide the loan and the Plan is declared effective, the Purchaser agrees to sign all financing and loan documents before a notary public, and return them to the Club within fifteen (15) days of the mailing of the documents. The Club agrees to hold and use the signed and notarized documents in the manner described in the Pledge Agreement set forth in Part II of the Plan.

8. Under no circumstances will the Club be obligated to make a loan if the Purchaser fails to perform any of his obligations under a Boatowner's Agreement.

Dated: 198

Purchaser

Purchaser

Accepted By: Harris Bay Yacht Club, Inc.
By: Yardarm Development Associates
Selling Agent

By: _____
Signature, Title

Date Accepted: _____

SPONSOR'S STATEMENT OF PRESENT CONDITION OF PROPERTY

The Sponsor represents that the statement of present condition of Marina property that follows accurately states the condition of the Marina property including the buildings, equipment and land. The Sponsor consulted and relied on Raymond J. Buckley, P.E., L.S., Star Route Ridge Road, Glens Falls, New York 12801 (who made visual inspections of, and who reported on, the buildings and equipment therein), and whose report is included in this Plan.

The Sponsor represents that it does not know of any defect or need for material repairs except as hereinafter set forth and except for items customarily corrected by routine maintenance.

The Marina property is offered in its current condition. Neither the Sponsor nor the Club will have any obligation to make repairs or improvements except as set forth in this Plan. The Sponsor will, however, maintain and operate the Marina property until the Closing Date in the manner in which the property has been maintained and will cure or cause to be cured all violations of record against the property as of midnight of the day preceding the Closing Date (except violations caused by the acts or omissions of tenants, lessees or other occupants), and all work orders of insurance carriers and mortgagees made on or prior to such date, provided that if the aggregate cost of the work necessary to cure such violations and work orders exceeds .5% of the sales price the Sponsor will have no obligations to perform the same and may abandon the Plan even after it has been declared effective.


SITE DESCRIPTION

Parcel One (Main office & store, docks, gas dock building, transformer building, main parking area) - Parcel one is a 7.58 acre lot with 1920' of frontage on Lake George and 1228' of frontage on Route 9L. A portion of this parcel has been filled with gravel to create a suitable site for these facilities. The parking area is subject to flooding at extreme high lake levels which ordinarily occur only in the early spring. The entrance and exits to Route 9L are paved along with a paved boat launching ramp. There is a grass area between the office and lakeshore and some shrubs and flowers near the office and on the mound over the fuel storage tanks. (A detailed soils report has been prepared, see A-1).

Parcel Two - Parcel two in a 25.53 acre lot with 2178' of frontage on Route 9L. The sewage disposal system is located on this lot, the remainder of the lot is mostly wooded.

Parcel Three - Parcel three is a 10.58 acre lot with 626' of frontage on Route 9L. A shop, boat storage building and parking area are located on this lot. This area is subject to flooding when the lake level is extremely high.

Parcel Four - Pilot Knob Annex is a 4.66 acre lot with a 30' right-of-way to the Pilot Knob Road in the town of Fort Ann. There are two large boat storage buildings and a shop on this parcel.



Raymond J. Buckley
Jan 17, 1983

Landscaping and Enclosures - See site plan (exhibit)

Utilities

Electric - All facilities are served by Niagara Mohawk Power Company. There is underground service to transformer building and underground distribution to the main office and docks A-F. There is separate overhead service to the two storage buildings on parcel two. Parcel four has overhead service to the shop.

Gas - There is no municipal gas service available. The main office has two 500 gallon propane tanks for the gas furnace and hot water heater.

Telephone - Service provided by New York Telephone. Phones are located in the gas dock building, back storage, shop on parcel two, main office and shop at Pilot Knob. There is one pay phone for public use outside the main office building.

Sewage

There are restrooms with hot showers for boatowners down stairs and a toilet and shower upstairs in the main office. There are no toilet facilities in any other buildings.

Sewage is pumped from the main office building to a subsurface disposal system on higher ground and across the highway (Route 9L) on parcel two. This pumping system is not winterized. A holding tank is used during the winter months. The sewage disposal system consists of two 1000 gallon septic tanks and a series of 8 foot diameter seepage pits constructed in about 1970. A permit for the construction of this system was obtained from the Town of Queensbury.

Solid Waste Disposal - Solid waste from all facilities and from boatowners is deposited in six dumpsters and disposed of by a private contractor at the Queensbury Landfill.

Parking Areas

There is a gravel parking area at the main office and near the docks (see site plan) to provide parking for boatowners and store customers. During the busy season the parking lot across Route 9L from the lake is used for long term parking and parking marina equipment and employee vehicles. The large storage building can be used for parking during the summer months.

PHYSICAL DESCRIPTION OF BUILDING

Building: Main Office

Location: Rt. 9L @ Marina

Use: Office, Manager's Apartment, Store,
Lounge, Restrooms and Showers

Size: 1st floor - 3072 SF
Porches 640 SF
(2nd floor 1152 SF)
Total 3712 SF

Construction: End bearing steel pile foundation
Log wall timber structure
Office fully insulated and electrically
heated and air conditioned

Roof: Asphalt shingle

Siding: Log

Heating
System: Gas hot/air with air conditioning coil -
First floor storage area and entire
2nd floor
Heating system - 132,000 BTU output
A/C system - 36,000 BTU output

Electrical
Service: 200A 240V Single Phase

Water and
Sewer: Water pumped from lake
Gas hot water heater
Toilet w/shower upstairs
Restrooms with hot showers for boat
owners downstairs
Sewage is pumped from building to a
sub-surface disposal system on higher
ground and across the highway (RT 9L)
The pumping system is not winterized
A holding tank is used during the winter

Condition: Very good

Age: Built 1980
Building permit number 6261
C.O. issued May 4, 1981

PHYSICAL DESCRIPTION OF BUILDING

Building: Transformer Building
Location: Rt 9L @ Marina
Use: Main electric panel, mechanics' storage
Size: 60 SF
Construction: Wood frame
Concrete Floor
11 feet total height
7 feet clear height at door
Roof: Asphalt shingle
Siding: Plywood
Heating System: None
Electrical Service: 800A 240V Single Phase
Water and Sewer: None
Condition: Good
Age: Built prior to 1970

PHYSICAL DESCRIPTION OF BUILDING

Building: Large Storage
Location: Rt 9L across the road from Marina
Use: Shop, boat storage, parking
Size: Shop 1600 SF
Storage 18800 SF
Total 20400 SF
Construction: Steel frame on concrete piers
(Stran Steel Building)
27 feet total height
18 feet clear height
Roof: Metal
Siding: Metal siding; one side is removable
panels
Heating
System: Shop has oil hot-air heat - 150,000 BTU
Electrical
Service: 200A 240V Single Phase
Water and
Sewer: None
Condition: Good
Age: Built 1970

PHYSICAL DESCRIPTION OF BUILDING

Building: Back Storage
Location: Rt 9L across the road from Marina
Use: Shop, boat storage
Size:

Shop	120 SF
Storage	6570 SF
Total	6690 SF

Construction: Pole barn construction
Wood roof trusses
Small heated shop
33 feet total height
16 feet door height

Roof: Metal
Siding: Metal siding

Heating System: None

Electrical Service: 200A 240V Single Phase

Water and Sewer: None

Condition: Good

Age: Built prior to 1970

PHYSICAL DESCRIPTION OF BUILDING

Building: Shop and Storage
Location: Pilot Knob Annex
Use: Shop, boat storage
Size:

Main Storage	12370	SF
Shop	2477	SF
Shed	5268	SF
Total	20115	SF

Construction: Main Storage area - Stran Steel Building, dirt floor
Shop has concrete floor and is insulated
Shed - pole barn construction, dirt floor
25 feet total height
16 feet door height
(14 feet shop door)

Roof: Metal

Siding: Metal siding; storage area has one open side

Heating System: Shop has oil hot-air heat - 112,000 BTU output and a wood stove (New Hartford Model DB279)

Electrical Service: 200A 240V Single Phase

Water and Sewer: None

Condition: Good

Age: Built prior to 1970

PHYSICAL DESCRIPTION OF BUILDING

Building: Rack and Storage
Location: Pilot Knob Annex
Use: Boat Storage
Size: Rack area 2118 SF
Pole barn area 9494 SF
Total 11612 SF
19 feet total height
13 feet clear height

Construction: Rack area - steel frame boat rack with
metal roof and dirt floor
Boat storage area - pole barn
construction; trusses and metal roofing;
dirt floor
(one double bay has old concrete pool to
float boats - no longer used as pool)

Roof: Metal

Siding: Metal siding
Rack area has one open side

Heating
System: None

Electrical
Service: None

Water and
Sewer: None

Condition: Fair/Poor

Age: Built prior to 1970

PHYSICAL DESCRIPTION OF BUILDING

Building: Gas Dock Building

Location: Rt 9L @ Marina

Use: Dispense Gas and Oil, Pump-out facility

Size: 200 SF
8 feet total height

Construction: Wood frame on Dock C

Roof: Asphalt shingle

Siding: Plywood

Heating System: None

Electrical Service: 15A 120V Single Phase

Water and Sewer: None

Condition: Good

Age: Built prior to 1970

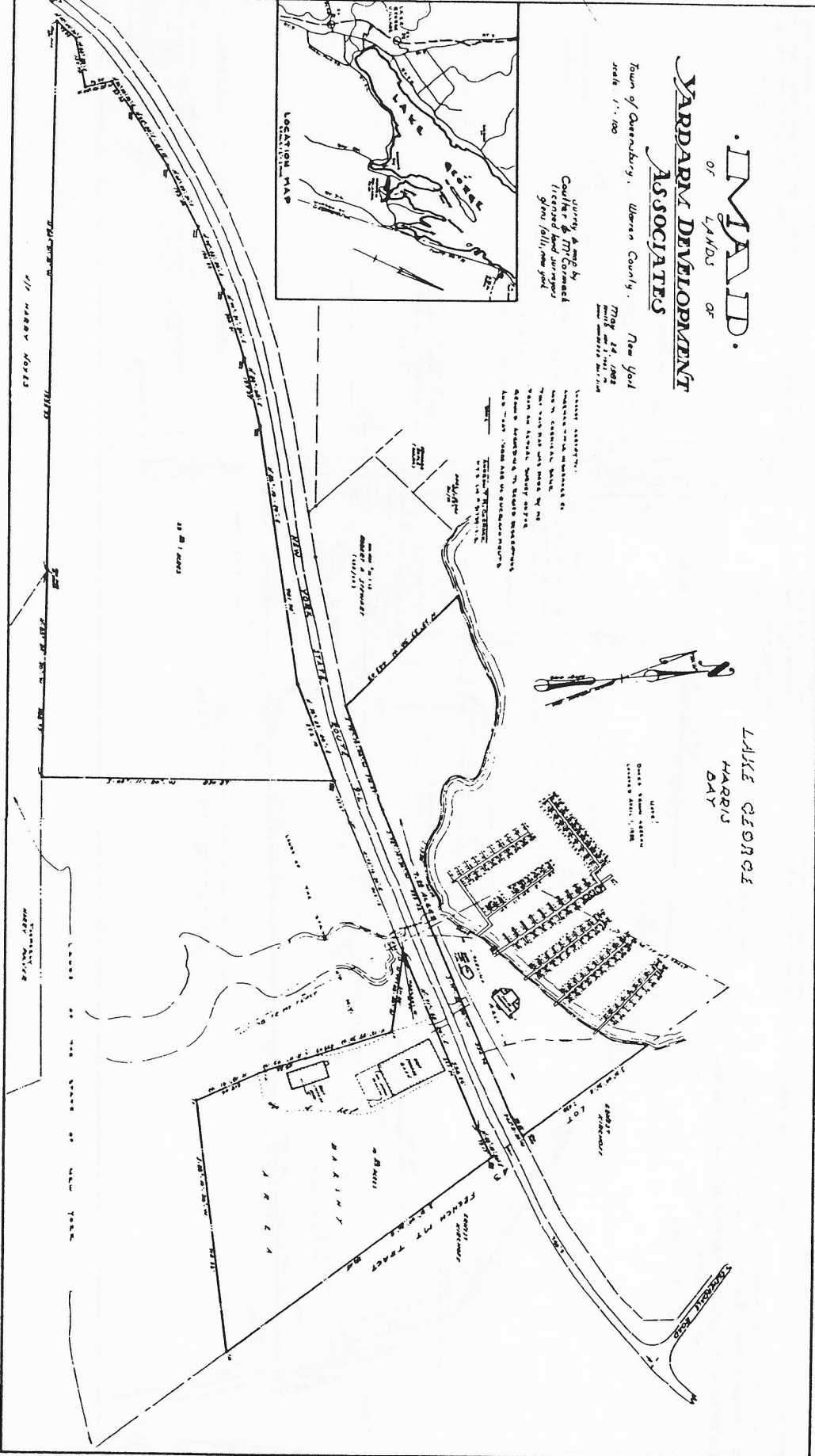
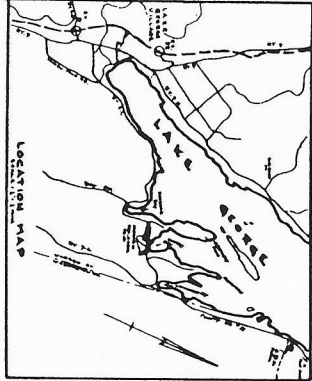
DOCKS

All docks are floating docks supported by styrofoam floatation material and decked over with timber or concrete. All docks have electrical outlets, lights and water. A sewage pump-out station and gasoline pumps are located on Dock "C". The size and configuration of the docks are shown on the "Map of Lands of Yardarm Development Associates" by Coulter and McCormack.

IMMAD.
 OF LANDS OF
YARDMAN DEVELOPMENT ASSOCIATES

Town of Queensbury, Warren County, New York
 Made 1-1-1968

Survey made by
 Coulter & McCombs
 11 of 100
 3/20/68



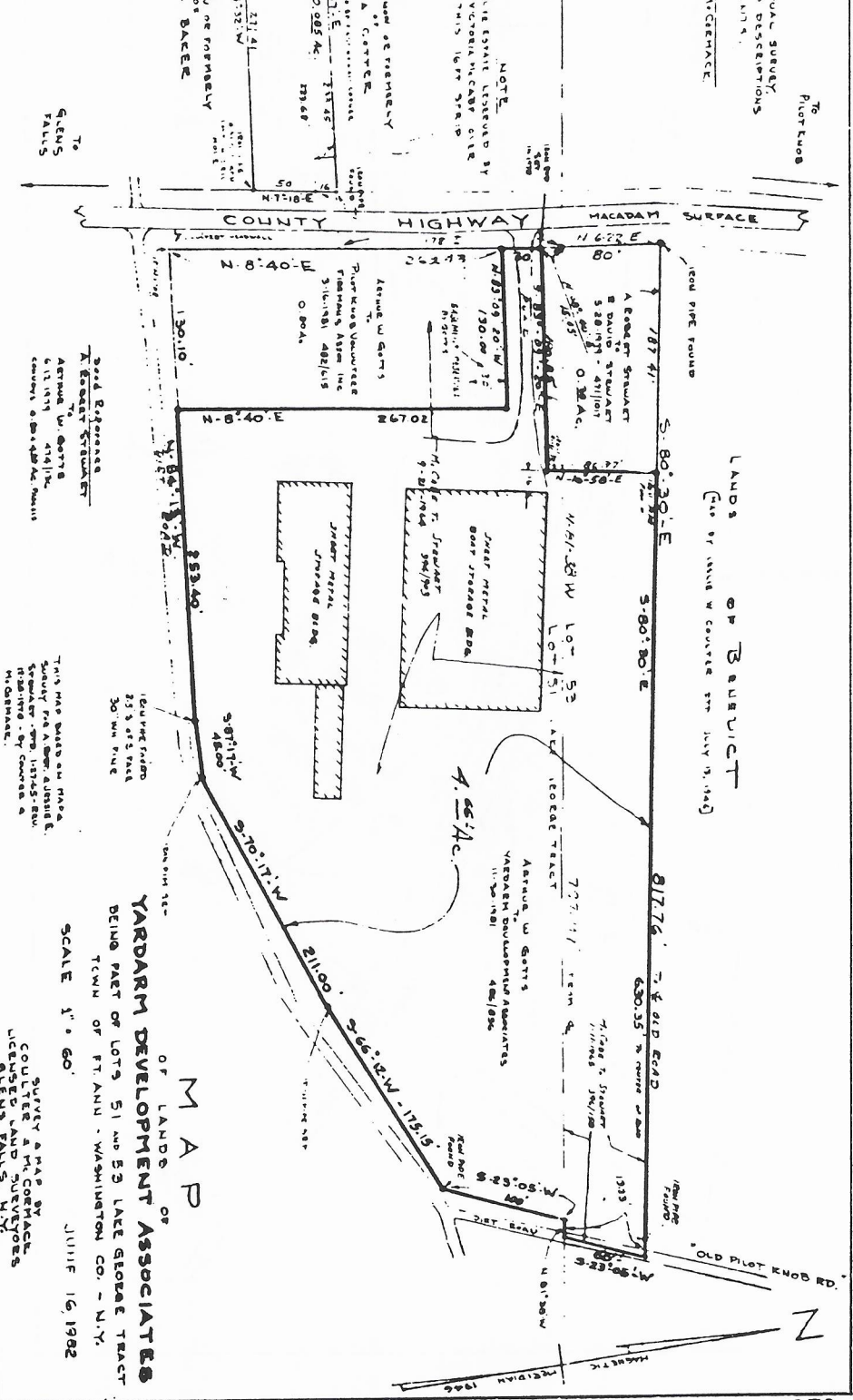
Notes: 1. All lots shown on this plan are subject to the provisions of the local laws of the Town of Queensbury, New York, relating to the zoning and use of land.

LAKE GEORGE
 HARRIS
 DAY

I HEREBY CERTIFY TO:
 AMERICAN TITLE INSURANCE
 AND CHEMICAL BANK
 THAT THIS MAP WAS MADE FROM AN ACTUAL SURVEY
 ON THE GROUND, ACCORDING TO RECORD DESCRIPTIONS
 AND THAT THERE ARE NO ENCROACHMENTS.

DATE _____ SURVEYED BY MICHAEL

NOTE:
 THE DISTANCES & DISTANCES SHOULD
 ON THE LACE MARCEL ARE TAKEN
 FROM A MAP BY ALICE W. COULTE
 DATED OCT 14, 1937.



MAP OF LANDS OF YARDARM DEVELOPMENT ASSOCIATES
 BEING PART OF LOTS 51 AND 53 LACE GEORGE TRACT
 TOWN OF FT. ANN - WASHINGTON CO. - N.Y.
 SCALE 1" = 60'
 SURVEY & MAP BY
 COLLETT & CO. ENGINEERS
 LICENSED LAND SURVEYORS
 GLENS FALLS, N.Y.
 JULY 16, 1962

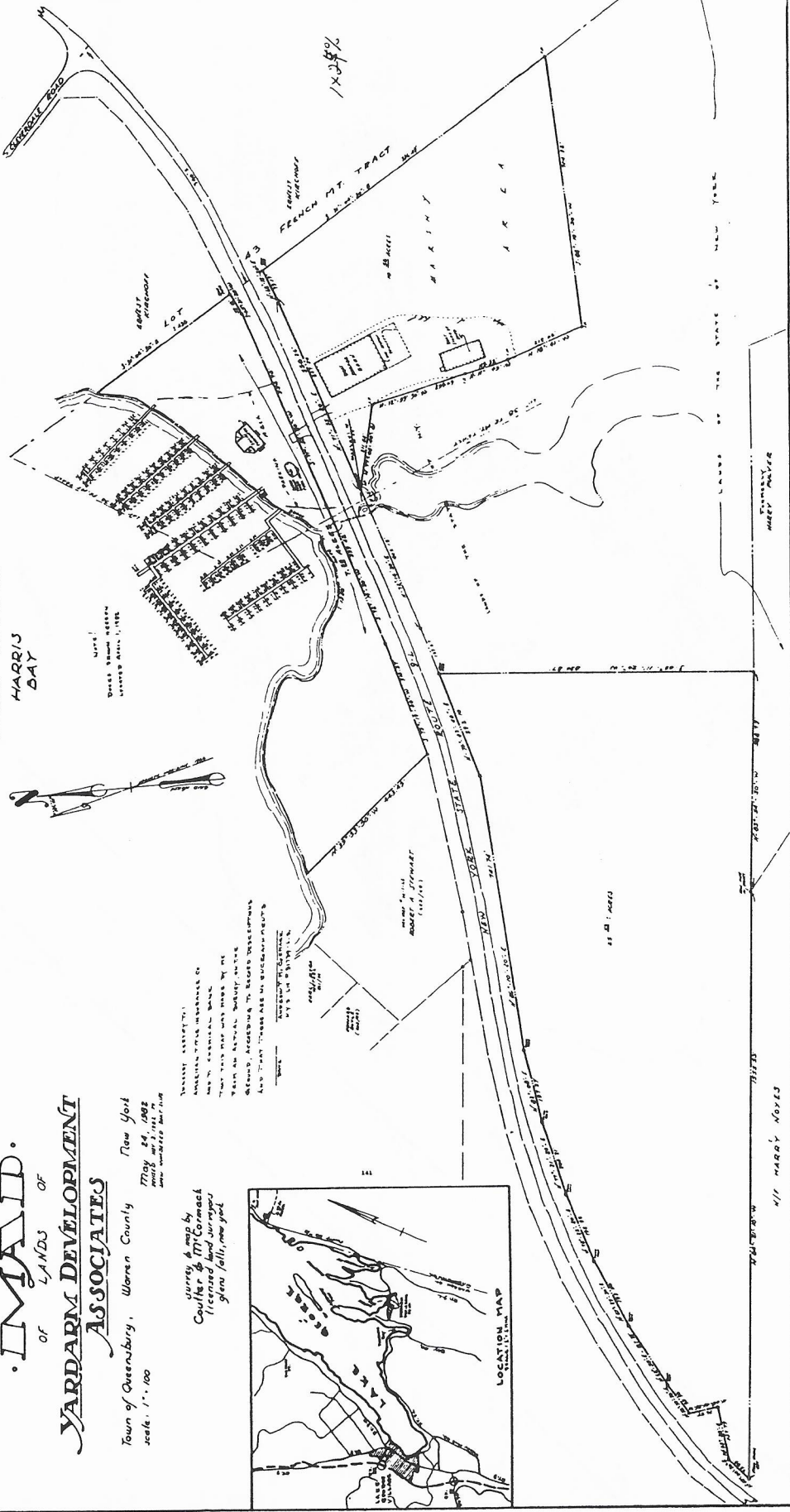
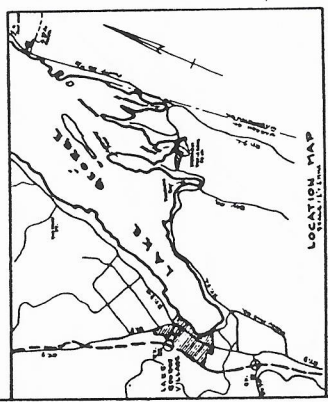
LAKE GEORGE
HARRIS
BAY

MAID
OF
LANDS OF
YARDARM DEVELOPMENT
ASSOCIATES

Town of Queensbury, Warren County New York
May 24, 1982
Scale: 1" = 100'

Survey & map by
Coulter & McCormack
licensed land surveyors
Geneva, N.Y.

UNLESS OTHERWISE SPECIFIED, ALL DIMENSIONS ARE TO BE TAKEN FROM THE CENTERLINE OF THE ROAD OR FROM THE CENTERLINE OF THE RIVER OR FROM THE CENTERLINE OF THE CANAL. ALL DIMENSIONS ARE TO BE TAKEN FROM THE CENTERLINE OF THE ROAD OR FROM THE CENTERLINE OF THE RIVER OR FROM THE CENTERLINE OF THE CANAL. ALL DIMENSIONS ARE TO BE TAKEN FROM THE CENTERLINE OF THE ROAD OR FROM THE CENTERLINE OF THE RIVER OR FROM THE CENTERLINE OF THE CANAL.



CERTIFICATION BY
SPONSOR AND SPONSOR'S PRINCIPALS

Department of Law
Two World Trade Center
New York, New York 10047

Attention: Real Estate Financing
Bureau

Re: Harris Bay Yacht Club, Inc.

Gentlemen:

We are the sponsor and principals of sponsor of the offering plan for the captioned Club.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the applicable regulations promulgated by the Attorney General and such other laws and regulations as may be applicable.

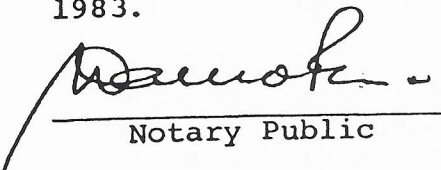
We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan for the Club does, and that documents submitted hereafter by us which amend or supplement the offering plan for the Club will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statements made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Sworn to before me by
Yardarm Development
Associates and Thomas
W. Eagan on April 5,
1983.



Notary Public

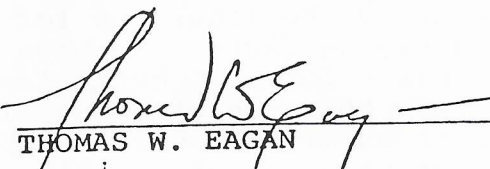
WALTER O. REHM III
Notary Public, State of New York
Warren County - No. 578524795
My Commission Expires March 30, 1984

YARDARM DEVELOPMENT ASSOCIATES

By: 

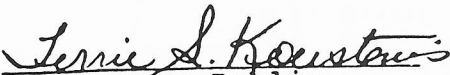
Thomas W. Eagan

PRINCIPALS OF SPONSOR:



THOMAS W. EAGAN

Sworn to before me
by Francis B. Legac
on April 18, 1983.



Notary Public
Commission expires July 25, 1986

FRANCIS B. LEGAC

SPONSOR'S ENGINEER OR ARCHITECT CERTIFICATION

Date November 18, 1982

Department of Law
Two World Trade Center
New York, NY 10047

RE: YARDARM MARINA

Gentlemen:

The sponsor of the offering plan for the captioned property retained me/~~xxxxxxx~~ to prepare a report describing the improvements to be constructed on the property (the "Report"). I/~~we~~ examined the buildings/~~plans and specifications~~ and prepared the Report dated Nov. 18, 1982, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I/~~we~~ understand that I/~~we~~ am/~~am~~ responsible for complying with Article 23-A of the General Business Law insofar as it is applicable to this Report.

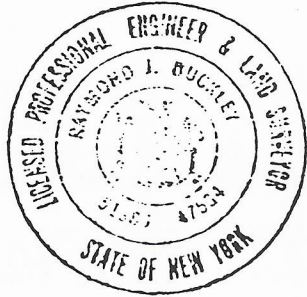
I/~~we~~ have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this Certification. I/~~we~~ certify the Report does:

- (i) set forth in detail the condition of the improvements to be constructed on the property as they will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I/~~we~~ examined;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the improvements to be constructed on the property as they will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I/~~we~~ examined;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;

- (vii) not contain any representation or statement which is false, where we:
(a) knew the truth; (b) with reasonable effort could have known the truth, or (d) did not have knowledge concerning the representations or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,



Raymond J. Buckley
Signature of Individual or
Name of Firm

By: _____
Signature of Individual
if prepared by Firm

Title or Position if prepared
by Firm

Sworn to before me this 18th
day of *March*, 1982.

Walter O. Rehm III
Notary Public

WALTER O. REHM III
Notary Public, State of New York
Warren County - No. 578624795
My Commission Expires March 30, 1985. *Et*

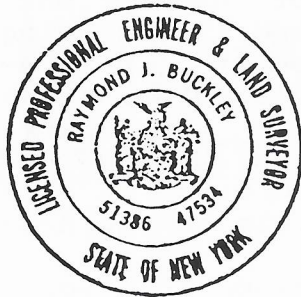
- (vii) not contain any representation or statement which is false, where we:
(a) knew the truth; (b) with reasonable effort could have known the truth, or (d) did not have knowledge concerning the representations or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

Raymond J. Buckley

Signature of Individual or
Name of Firm



By: _____
Signature of Individual
if prepared by Firm

Title or Position if prepared
by Firm

Sworn to before me this
17 day of *Jan*, 1983.

Walter O. Rehm III

Notary Public

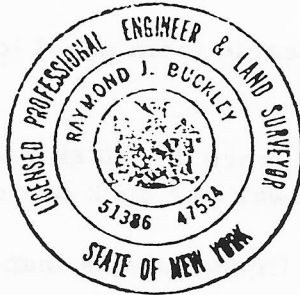
WALTER O. REHM III
Notary Public, State of New York
Warren County - No. 578524796
My Commission Expires March 30, 19--4

Certification of Engineer
Addendum #1

June 17, 1983

The work described in the attached proposal from Action Electric Service, Inc., dated April 25, 1983 is now approximately 50% completed. It is expected that the project will be finished by July 15, 1983.

Raymond J. Buckley



April 25, 1983

Mr. Thomas Egan
The Yardarm Marina, Inc.
P.O. Box 139
Cleverdale, New York 12820

Dear Mr. Egan:

The following is my proposal for the new electrical work to be installed for your marina:

A. Dock wiring and receptacles

1. Disconnect and remove existing assorted outlets and feeders from docks.
2. Install new 30 amp rated UF cable from panel location on docks to new receptacles.
3. Provide and install 271 weatherproof - 30 amp 120 volt single twist lock receptacles for shore power per dock layout.
4. Pay New York Board of Fire Underwriters Inspection Fee.

Cost of forementioned \$31,720.00

B. New power feeders

1. Provide and install new 200 amp single phase feeder from existing disconnect in shore line power room to new circuit breaker panel location on each dock.
2. Provide and install new 200 amp rated rain tight circuit breaker panel with necessary 120 volt 30 amp circuit breakers for shore power outlets on each dock.
3. Pay New York Board of Fire Underwriters Inspection Fee.

Cost of forementioned \$12,080.00

Licensed Electrical Contractor

Action Electric Service, Inc.

498 FIRST STREET, ALBANY, N.Y. 12206

(518) 465-7970

-2-

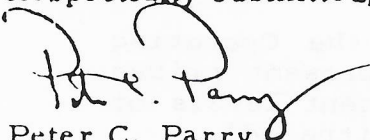
C. Additions

1. Install new feeder to gas pump equipment on C dock - allowance \$400.00
2. Installation of new dock lighting - wiring and labor allowance \$2,000.00 (Per our discussion the additional billing for new lighting fixtures will be billed at my net cost).

D. Payment Schedule

1. Acceptance of contract - \$9,500.00 *pd ck # 307 5/9/83*
2. Installation of wire and outlets per dock - \$3,000.00
3. Inspection approval by N.Y.B.F.U. - \$4,220.00
4. Installation of Circuit Breaker panel & breakers per dock - \$800.00
5. Installation of feeder per dock. - \$1,000.00
6. Inspection approval by N.Y.B.F.U. - \$1,280.00
7. Additions - Payment on completion and receipt of itemized billing.

Respectfully submitted,



Peter C. Parry
President

PCP/sm

Accepted _____

Date 5/9/83

Licensed Electrical Contractor
150

CERTIFICATION OF ADEQUACY OF OPERATING BUDGET

Date

Department of Law
Two World Trade Center
New York, NY 10047

RE: YARDARM MARINA

Gentlemen:

The sponsor of the offering plan for the captioned property retained me/our firm to review the Operating Budget containing projections of income and expenses for the first year of operation.

I/we understand that I/we am/are responsible for complying with Article 23-A of the General Business Law insofar as it is applicable to the Operating Budget.

I/we have reviewed the Operating Budget and investigated the facts set forth in the Operating Budget and the facts underlying it with due diligence in order to form a basis for this certification.

I/we certify that the projections in the Operating Budget appear reasonable and adequate based on present prices (adjusted to reflect continued inflation and present levels of consumption for comparable properties similarly situated).

I/we certify that this certification and all documents prepared by me/us hereafter that concern the Operating Budget do:

- (i) set forth in detail the terms of the transaction as it relates to the Operating Budget and are complete, current and accurate.
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, or suppression;

- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where I/we:
 - (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

I/we further certify that I am/we are not owned or controlled by and have no beneficial interest in the sponsor and that my/our compensation for preparing this Certification is not contingent on the sale of the property to a membership corporation or on the profitability or price of the offering. I/we understand that a copy of this Certification is intended to be incorporated into the offering plan so that prospective purchasers may rely on it.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

Robert W. Leavitt, Inc.
Signature of Individual or
Name of Firm

By: *George K. Burke*
Signature of Individual if
prepared by Firm

President
Title or Position if prepared
by Firm

Sworn to before me this
15th day of December 1982

W. O. Rehm III
Notary Public

WALTER O. REHM III
Notary Public, State of New York
Warrant No. 578624795
My Commission Expires March 30, 1984

LOAN APPLICATION

Route 9L
 P.O. Box 139
 Cleverdale, NY 12820

Date _____

First, Middle and Last Name(s) _____

Present Address _____ Home Phone _____

Mortgage/Rent Paid \$ _____ Length of Residence/Tenancy _____ Yrs.

Landlord/Lender's Name and Address _____

Occupation _____ Salary \$ _____ Company's Name _____

Length of Employment _____ Yrs. Company's Phone _____ Dept. Head _____

Social Security# _____ Driver's License # _____

Additional Source(s) of Income _____

Charge Accounts _____

Occupants of Residence

Name	Age	Name	Age

Business Reference _____ Phone _____

Business Reference _____ Phone _____

Business Reference _____ Phone _____

I represent that all statements made on both pages of this application are true.

Signature _____

Signature _____

Boat Name _____ Registration #. _____ Owner _____

Sail or Power _____ Length _____ Width _____ Draft _____

Slip # _____ Boat Manufacturer _____ Insurer _____

Purchase Price \$ _____ Amount of Loan \$ _____ Term _____

Down Payment \$ _____ Source of Down Payment _____

Do you intend to acquire this slip for your personal use? _____

Description	Cash or Market Value	Creditors Name, Add. & Acct. No.	Acct. Name If Not Borrower's	Mo. Payments & Mos. left to pay	Current Balance
Cash Deposit Toward Purchase Held By	\$	Installment Debts inc. "revolving acct."		\$ Pmt./Mos. /	\$
Check & Sav. Acct. (Show Names of Insts./Acct. Nos.)				/	
				/	
				/	
Stocks & Bonds (No./Descrip.)				/	
				/	
Life Insurance Net Cash Value/Face Amount \$	\$	Automobile Loans			
SUBTOTAL LIQUID ASSETS	\$				
Real Estate Owned (Enter Market Value from Schedule of Real Estate Owned)		Real Estate Loans		/	
Vested Int. in Retirement Fund					
Net Worth of Bus. Owned (ATTACH FINANCIAL STATEMENT)					
Automobiles (Make & Year)		Other Debts in - clud. Stock Pledges		/	
Furniture and Personal Property		Alimony, Child Supp. & Separate Maintenance Payments Owed to		/	
Other Assets (Itemize)					
		TOTAL MONTHLY PAYMENTS		\$	\$
TOTAL ASSETS	A	NET WORTH (A minus B) \$		TOTAL LIABILITIES	B
	\$			\$	\$

SCHEDULE OF REAL ESTATE OWNED (If Additional Properties Owned Attach Separate Schedule)

Address of Property (Indicate S if Sold, PS if Pending Sale or R if Rental being held for income)	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Taxes, Ins. Maintenance & Misc.	Net Rental Income
		\$	\$	\$	\$	\$	\$
TOTALS		\$	\$	\$	\$	\$	\$

LIST OF PREVIOUS CREDIT REFERENCES

B-Borrower	C-Co-Borrower	Creditor's Name and Address	Account Number	Purpose	Highest Balance	Bal. Due

List any additional names under which credit has previously been received _____

Borrower's Signature _____

Date: _____

Borrower's Signature _____

FEDERAL TRUTH IN LENDING DISCLOSURES
Credit Sale

Seller(Creditor) Harris Bay Yacht Club, Inc.
Route 9L, Cleverdale, New York 12820
Address: No. and Street, City, State and Zip Code

Purchaser _____
Address: No. and Street, City, State and Zip Code

ANNUAL % RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS	TOTAL SALES PRICE
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf	The amount you will have paid after you have made all payments as schedules.	The total cost of your purchase on credit, including your down payment of \$_____ is \$_____
_____ %	\$ _____	\$ _____	\$ _____	

Your schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due	Or as Follows:
		Quarterly beginning	

Late Charge: If a payment is not paid in full within _____ days from the due date shown above you will pay a late charge of _____.

Prepayment: If you pay off early, you May Will not have to pay a penalty
 May Will not be entitled to a refund of part of the finance charge.

Security: You are giving a security interest in:

the goods or property being purchased.

(brief description of other property) _____

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the schedules date, and prepayment refunds and penalties.

Itemization of the Amount Financed

1. Cash Price	\$ _____
2. Downpayment: Cash	\$ _____
3. Unpaid balance of cash price (1 minus 2)	\$ _____
4. Other charges:	
Taxes no included in cash price	_____
Credit insurance	_____
Property damage insurance	_____
Filing or title fees	_____
Non-filing insurance	_____
Payments to others (specify)	_____
_____	_____
_____	_____
	\$ _____

I have received a copy of this documents.

Purchaser

Purchaser

PLEDGE AGREEMENT
for Membership in
HARRIS BAY YACHT CLUB, INC.

Purchaser: _____

Purchaser: _____

Slip No. _____

Purchase Price: \$ _____

Down Payment: \$ _____

(Amount of) Loan: \$ _____

Balance Due Upon Signing this Agreement: \$ _____

1. Definitions

The following terms will have the meanings set forth below:

A. "Club" will mean Harris Bay Yacht Club, Inc., a New York not-for-profit corporation.

B. "Secured Party" will mean the Club and any person who assumes the rights or duties or role of the Club under this agreement.

C. "Purchaser" will mean the person or persons who are named on the first page of this agreement and sign this agreement at the end.

D. "Agreement" will mean this Pledge Agreement to secure a loan to finance the purchase of a membership in the Club.

E. "Sponsor" will mean Yardarm Development Associates, a New York limited partnership.

F. "Marina property" will mean the land, buildings, personal and other property owned by the Club.

G. "Slip" will mean the slip identified on the first page of this agreement, that has been or will be assigned to the membership that is the collateral subject to this agreement.

H. "Membership" will mean the interest held by a member of the Club that is the subject of this agreement.

I. "Purchase Price", "Down Payment", and "Loan" will mean the respective sums set forth on the first page of this agreement.

J. "Closing Date" will mean the date on which title to the Marina property is transferred from the Sponsor to the Club.

K. "Plan" will mean the offering plan for the sale of memberships in the Club.

L. "Member" will mean the holder of a membership in the Club.

M. "Assignment of Membership" will mean the assignment of the membership in the Club, to be signed in blank by the Purchaser, at the same time as this agreement.

N. "Disclosure Statement" will mean the statement of federal truth in lending disclosures, required by Regulation Z.

O. "Note" will mean the promissory note that is signed at the same time as this agreement.

P. "Debt" will mean the amount of the Loan, all interest and accrued interest on the Loan and all other monies owed, by the purchaser, in connection with the Loan and this agreement.

Q. "Financing and Loan Documents" will mean the (i) Assignment of the Membership signed by the Purchaser in blank; (ii) UCC-1 Financing Statement signed by the Purchaser in duplicate, in form for filing; (iii) the Note signed by the purchaser; (iv) the Disclosure Statement, signed in duplicate; and (v) this agreement.

R. "Event of Default" will mean a breach of any obligation of the Purchaser in this agreement or the Note or the occurrence of any other event described in Section 8 of this agreement.

S. "Acceleration Notice" will mean a notice that may be given by the Secured Party that will make the entire unpaid Debt due and payable immediately.

2. Statement of Facts

The Purchaser previously signed a Subscription Agreement to buy at membership in the Club. To finance part of the purchase price, the Purchaser applied to the Club for a loan. The Club has agreed to provide the Loan, in the amount set forth on the first page of this agreement. The Purchaser acknowledges having received and signed a Disclosure Statement concerning the Loan. The Purchas-

er previously paid the down payment. The remainder of the purchase price is to be paid by:

- (i) Signing and delivering the Note at the same time as this agreement, to be dated as of the Closing Date, in the amount of the Loan;
- (ii) Payment of the balance due upon signing this agreement.

To secure the payment of the Debt, the Purchaser is signing this agreement and the Assignment. The Assignment is being signed in blank for the purpose of selling, assigning or otherwise transferring the membership, if the Purchaser defaults on his obligations under this agreement or the Note.

3. Agreement to Lend and Borrow

The Purchaser agrees to receive and repay the Loan and the Secured Party agrees to make and accept repayment of the Loan, upon the terms and conditions set forth in this agreement and the Note.

4. Signing and Delivery of Financing and Loan Documents

The Purchaser is required to submit to the Club or to the Selling Agent, all the Financing and Loan Documents at the same time. Each document must be signed by the Purchaser and the Purchaser's signature must be notarized or witnessed as required by the form of the particular document. The Club will hold, use and dispose of the Financing and Loan Documents in accordance with this agreement. The date of the Note and the date from which interest on the Loan will begin to be computed, will be the Closing Date. The Purchaser irrevocably authorizes the Club or its agent to insert the date of the Closing Date in the Note, but only on or after the Closing Date. The Purchaser irrevocably authorizes the Club or its agent to file the UCC-1 Financing Statements, but only on or after the Closing Date. The Purchaser irrevocably authorizes the Club and any other Secured Party to assign the Financing and Loan Documents to the Sponsor or any other person. The Purchaser irrevocably authorizes the Club and any other Secured Party to otherwise dispose of or use the Financing and Loan Documents in accordance with this agreement.

5. Abandonment of Plan

If the Plan is abandoned or withdrawn or for any reason title to the Marina property is not conveyed to the Club within the time periods set forth in the Plan, the Club will mark all the Financing and Loan Documents in its possession "cancelled", and

the Club will return to the Purchaser by mail, the Note, Assignment, UCC-1 Financing Statements, and this agreement. When the documents are returned to the Purchaser, this agreement will be null and void.

6. Lien and Security Interest

The Purchaser is pledging, assigning and transferring his membership to the Secured Party as collateral to secure the payment of the Note and the performance of all the Purchaser's obligations under this agreement. The Purchaser is giving the Secured Party a continuing lien and security interest in the membership and all of the Purchaser's rights, title and interest in the membership and any proceeds that may be received from the sale of the membership. Upon payment of the entire Debt:

- (i) this agreement will be null and void;
- (ii) the lien and security interest created by this agreement will terminate;
- (iii) the Secured Party will return to the Purchaser by mail the Financing and Loan documents, except for the filed copies of the UCC-1 Financing Statement; and
- (iv) the Secured Party will send to the Purchaser by mail a UCC-3 Termination Statement, signed by the Secured Party in proper form for filing.

Upon payment of the entire Debt and the Secured Party's compliance with subparagraphs (iii) and (iv), both the Purchaser and the Secured Party will be relieved of all further liabilities and obligations under this agreement and the Note.

7. Representations, Warranties and Agreements by Purchaser

The Purchaser makes the following representations, warranties and agreements by signing this agreement. The following representations, warranties and agreements will survive and be enforceable and binding after the Closing Date.

A. Purchaser is the only holder and owner of record and the only holder and owner of any interest in the membership, and the Purchaser's rights and interest under the Subscription Agreement;

B. Purchaser has not previously sold, transferred or assigned, or given any lien or security interest in the membership, nor the Purchaser's rights and interest under the Subscription Agreement;

C. The membership and the Purchaser's rights and interest under the Subscription Agreement are not subject to any lien, security interest, or any other claim;

D. The Purchaser has not been known by any other name during the past twenty (20) years;

E. There is no action or proceeding, pending or threatened, that in any way might materially adversely affect:

- (i) The rights of the Secured Party under this agreement;
- (ii) The Purchaser's ability to perform his obligations under this agreement or the Note;
- (iii) The Purchaser's ownership of the membership; or
- (iv) The validity or priority of the lien and security interest in the membership that is given to the Secured Party by this agreement;

F. Purchaser will preserve the interest and rights created by the membership and does and will always warrant and defend the interest and rights created by the membership and the Purchaser's ownership of the membership;

G. Purchaser will always warrant and defend the validity and priority of the lien and security interest that is given to the Secured Party by this agreement against all claims and demands;

H. Purchaser will not sell, assign or otherwise transfer the membership, unless there is full compliance with the requirements of law, the provisions of this agreement and all applicable provisions of the By-Laws and Rules and Regulations of the Club;

I. Upon the request of the Secured Party, the Purchaser will, without cost or expense to the Secured Party sign, deliver, file and record any additional agreements or other documents, that in the opinion of the attorneys for the Secured Party, are necessary to create, perfect continue, protect or defend the lien and security interest that is given to the Secured Party by this agreement;

J. The Purchaser irrevocably authorizes the Secured Party or its agents to sign, in the name of and on behalf of the Purchaser, and file and record, any additional agreements or other documents, that in the opinion of the attorneys for the Secured Party, are necessary to create, perfect, continue, protect or defend the lien and security interest that is given to the Secured Party by this agreement;

K. Within five (5) days of a request made in person or delivered by hand, or within ten (10) days of a request sent by mail, the Purchaser will deliver to the Secured Party, a properly notarized affidavit, setting forth: (i) the unpaid amount of the Debt; (ii) a statement whether there is any basis for a claim that the Purchaser is not obligated to pay the unpaid amount of the Debt and (iii) a detailed description of any basis for any claim;

L. The Purchaser will promptly pay upon demand any taxes imposed upon this agreement or any of the other Financing and Loan Documents, or the lien and security interest created by this agreement or on the Secured Party by reason of the lien and security interest, other than any income taxes;

M. The Secured Party, in any action to enforce, foreclose or protect the lien and security interest created by this agreement, will be entitled without notice and without regard to whether any security held by the Secured Party is adequate, to the appointment of a receiver; and

N. If the Purchaser comes into possession of any certificate for the membership, the Purchaser will promptly deliver the certificate to the Secured Party, without any notice or demand from the Secured Party. Any certificate issued by the Club for the membership will be additional collateral, subject to the lien and security interest given by this agreement and held subject to the provisions of the Financing and Loan Documents.

O. Purchaser received a filled-in copy of the Disclosure Statement before signing this agreement.

8. Events of Default

The following will constitute Events of Default under this agreement:

A. The failure to pay within ten (10) days of the due date any installment of interest or principal, or the remaining unpaid Debt at maturity, or any sum when due (and before the end of any applicable grace period) in accordance with the Note and this agreement;

B. The Purchaser's failure to pay when due any assessment, special assessment or any other monies that are required to be paid to the Club under the By-Laws or the Rules and Regulations of the Club;

C. The Purchaser's failure to promptly observe, perform or comply with any of the provisions of the By-Laws or Rules and Regulations, if the failure would entitle the Club to suspend the Purchaser's right to use the Marina property, regardless of whether the Club exercises its right of suspension;

D. The loss of all or part of the slip assigned to the membership, by reason of police power or eminent domain or condemnation proceedings,

E. An alleged sale, assignment or other transfer of the membership, or any interest in the membership, or any alleged pledge or other alleged use of the membership as collateral, unless the Purchaser pays the unpaid Debt, on or before the effective date of the alleged sale, assignment, transfer, pledge or other use of the membership as collateral;

F. Purchaser's leasing or renting of, or offering to lease or rent the membership without the prior written consent of the Secured Party;

G. The Secured Party makes a reasonable determination that any of the representations or warranties made by the Purchaser are not true and correct;

H. The Purchaser fails or refuses to comply with any of the Purchaser's obligations under the Note or this agreement;

I. The Purchaser becomes insolvent or commits any act of bankruptcy or makes use of any bankruptcy law or other law for the relief of debtors other than as a creditor. This would include without limitation:

- (i) the filing of a petition in bankruptcy, whether voluntary or involuntary, unless the involuntary petition is dismissed within thirty (30) days;
- (ii) An assignment for the benefit of creditors;
- (iii) The appointment of a temporary or permanent receiver, trustee or liquidator of any of the Purchaser's

property, unless the appointment is vacated within thirty (30) days;

- (iv) The filing of a petition for a composition, extension or arrangement under any bankruptcy act;
- (v) The Purchaser's inability to pay his debts as they come due;

J. Entry of a judgment against Purchaser, or a notice of filing of any Federal, State, or other governmental tax lien or deficiency which is a lien against Purchaser's property, unless paid or bonded within thirty (30) days;

K. The institution of a foreclosure proceeding by the holder of a mortgage encumbering the Marina property;

L. The approval or authorization of the members of the Club to dissolve or liquidate the Club, or sell the land owned by the Club;

9. Remedies of Secured Party

A. Upon the occurrence of any Event of Default, the Secured Party may at its option, give the Purchaser Acceleration Notice. The Acceleration Notice is written notice making the entire unpaid Debt due and payable immediately. The Purchaser waives any other notice and all the legal requirements that the Secured Party would otherwise be obligated to comply with, before being entitled to immediate payment of the entire unpaid Debt. These legal requirements are:

- (i) To demand payment of the amounts due ("presentment");
- (ii) To give notice that amounts due have not been paid ("notice of dishonor"); and
- (iii) To obtain an official certification that amounts due have not been paid ("protest").

Any guarantor or surety of this agreement also waives performance of the acts described in subparagraphs (i) through (iii). Guarantor and surety are terms defined in Section 19 of this agreement. If the entire unpaid Debt is not paid within five (5) business days after the mailing of the Acceleration Notice, then in addition to all other rights and remedies the Secured Party has pursuant to law, the Secured Party may, but is not obligated to:

- (i) Make any payments on behalf of the Purchaser, or perform any acts required to be done by the Purchaser in order to prevent a breach of the Purchaser's obligations under the By-Laws or Rules and Regulations (the cost of any payments made on behalf of the Purchaser and any acts performed that were required to be done by the Purchaser, together with interest at the highest rate permitted by the laws of New York, will be added to the Debt and payable on demand);
- (ii) Sell, assign or otherwise transfer to any person the membership, at a public or private sale, for cash or upon credit, with or without advertisement of the time, place and terms of sale. However, five (5) days notice of the time, place and terms of sale will be given to the Purchaser. If the sale is on credit, the Secured Party may continue to hold the membership until the sales price is paid in full. However, the Secured Party will not be liable if the buyer fails to comply with the terms of the sale. If buyer fails to comply, the membership may be sold again. The Secured Party and any buyer from the Secured Party, at any public or private sale, will have the right to purchase the membership free of any right of the Purchaser to redeem the membership. The Purchaser waives any right of redemption he may have. Any sale conducted in accordance with this provision will be deemed commercially reasonable. However, the Secured Party may conduct the sale in any other manner that appears reasonable to the Secured Party, in its exclusive judgment.

B. The monies received by the Secured Party as a result of a public or private sale, will be applied in the following order:

- (i) payment of any assessments, installments, special assessments, or any other monies owed to the Club (except as specified in subparagraph ii);

- (ii) payment of all costs and expenses of collection of the Debt and of the public or private sale, including without limitation: reasonable attorneys fees, advertising costs, fees and expenses charged by the Club or any management agent in connection with the transfer of the membership, brokerage commissions, and any taxes;
- (iii) payment of interest owed as part of the Debt; and
- (iv) payment of the unpaid principal balance owed as part of the Debt, together with accrued interest.

If the monies received by the Secured Party as a result of a public or private sale are not sufficient to pay the items in subparagraphs (i) through (iv), the Purchaser will be personally obligated to pay any deficiency. If the monies received by the Secured Party are more than sufficient to pay the items in subparagraphs (i) through (iv), the Secured Party will pay the excess monies to the Purchaser.

C. At the closing of the public or private sale, or any other disposition of the membership permitted by this agreement, the Secured Party or its agents will have the right to complete the blank portions of the Assignment for the purpose of transferring all of the Purchaser's rights to and interest in the membership. The Purchaser irrevocably authorizes the Secured Party or its agents to complete the blank portions of the Assignment.

D. The Secured Party is permitted to hold the Financing and Loan Documents until the Secured Party decides that it can obtain a favorable sales price for the membership. Unless the Secured Party engages in intentional misconduct, it will not be liable to the Purchaser for any loss in the value of the membership or the Financing and Loan Documents, as a result of the length of time that it retains the Documents.

E. If there is an Event of Default as set forth in Section 8, Paragraphs (A) through (L), the Purchaser will be required upon the demand of the Secured Party, to immediately remove himself and his property from the slip, and surrender his right to use the slip to the Secured Party. The Club is authorized to and upon the request of any other Secured Party will be obligated to, promptly begin and diligently prosecute a summary legal proceeding to evict the Purchaser from the slip if he fails or refuses to remove himself and his property upon demand.

10. Rights and Duties of Purchaser

A. Even though the Secured Party will have possession of the Financing and Loan Documents pursuant to this agreement, the Purchaser will, until the occurrence of an Event of Default:

- (i) have the right to cast the vote of the membership for all purposes (except for the approval or authorization of the members of the Club to dissolve or liquidate the Club, or modify the By-Laws, without the prior written approval of the Secured Party); and
- (ii) have the right to use the slip assigned to the membership.

B. Before and after an Event of Default, the Purchaser alone will be obligated to comply with the ByLaws and Rules and Regulations. Only the Purchaser is responsible for the payment of assessments, any installments, special assessments and other monies that may become payable to the Club under the By-Laws and Rules and Regulations. The Purchaser understands that the Secured Party will not be liable for nor obligated to make any payments.

11. Waiver of Claims

The Purchaser will not, and hereby gives up any right he may have, to raise any claim, demand, defense, allegation or other matter, against the Secured Party or the Note or this agreement, that is not directly related to the Note or this agreement. The Purchaser will not and hereby gives up any right he may have, to raise any claim, demand, defense, allegation or other matter, against the payment of the Debt or the collection of the Debt. The only remedies the Purchaser will have are those given to all Purchasers and members under the Subscription Agreement, the Plan and the By-Laws.

12. Waiver of Jury Trial

The Purchaser and the Secured Party give up any rights they may have to a jury trial in any lawsuit or other legal proceeding in any way involving the Financing and Loan Documents, and any payments made pursuant to the Note and this agreement. If there is any claim or proceeding in which the right to a jury trial cannot be waived, neither the Purchaser nor the Club will take any steps to join the claim or proceeding with any lawsuit or other legal proceeding in which a jury trial can be waived.

13. Transfer By Purchaser and Secured Party

The Financing and Loan Documents and the Purchaser's role, rights and obligations, cannot be transferred to another person without the prior written consent of the Secured Party. The Club and any other Secured Party may freely transfer the Financing and Loan Documents and its role, all of its rights and obligations, and/or the payments under the Note and this agreement, without any restriction.

14. Payment of Debt

Upon payment of the entire Debt, the Secured Party will send the Purchaser by mail a signed UCC-3 Termination Statement in proper form for filing. If the Purchaser wants to sell, assign or transfer the membership, the Secured Party will cause a signed UCC-3 Termination Statement in proper form for filing, to be delivered to the closing of the sale, assignment or transfer, but only if:

A. The Purchaser makes payment of the entire unpaid Debt at the closing by unendorsed personal certified check of the Purchaser or his buyer, or an official cashier's check. The check must be (i) drawn on a bank located in the State of New York; (ii) unendorsed; and (iii) payable to the Secured Party.

B. The closing is held in the County of Warren or any adjoining County in the State of New York.

15. Waiver of Liability and Indemnification of Club

A. The Purchaser gives up any right to hold the Club, its officers, employees, agents and attorneys, liable for any loss or damage in connection with:

- (i) The transfer of the membership from the Purchaser to the Secured Party at the instructions of the Secured Party, after an Event of Default that is not cured within any applicable grace period;
- (ii) The initiation of any summary proceeding or other legal action to evict the Purchaser, his possessions and any other persons from the slip as a result of an Event of Default under this agreement;
- (iii) The refusal to approve the sale, assignment or transfer of the membership,

if the Purchaser attempts to sell, transfer or assign without the consent or approval of the Secured Party that is required by this agreement.

B. The Purchaser will be responsible for and be obligated to promptly pay for on demand, all expenses, costs, liabilities, damage and losses that the Club may be subject to or suffer in connection with the conduct described in subparagraphs (i) through (iii).

16. Reimbursement for Litigation Expenses

There may be lawsuits or other legal proceedings, brought by the Secured Party, or the Purchaser, or anyone else, in which the Secured Party decides that it would be appropriate to seek to foreclose or defend the lien and security interest created by this agreement, or to enforce or defend any of the rights created by this agreement. If this should happen, any of the expenses of the lawsuit or other proceeding that are incurred by the Secured Party, including without limitation reasonable attorneys fees, costs and disbursements, together with interest at the highest rate then permitted by the laws of New York, will be added to the Debt and will be payable to the Secured Party by the Purchaser, on demand.

17. Entire Agreement

This agreement contains all the terms of the agreement between the Secured Party and the Purchaser concerning the Loan and the Debt. This agreement cannot be changed or terminated unless the change or termination is in writing and signed by the person against whom the change or termination is sought to be enforced.

18. Remedies Not Exclusive

The use of one or more rights or remedies provided for in this agreement is not an election of rights or remedies that will preclude the Secured Party or the Purchaser from pursuing other rights or remedies that may be provided for in this agreement. The rights and remedies provided for in this agreement may be invoked, used or granted at the same time, unless there is a provision in this agreement that specifically prohibits it.

19. General

A. This agreement is binding upon the Secured Party and the Purchaser and any person who assumes the rights or obligations or role of either the Secured Party or the Purchaser.

B. The use of any gender includes all genders and the use of the singular includes the plural and vice versa

C. (i) If more than one person signs this agreement or more than one person assumes the obligations or role of either the Secured Party or the Purchaser, they will be jointly and severally liable. This means they will be fully and personally responsible to pay all monies due under, and fulfill all other obligations required to be performed by this agreement. Any person who:

- (a) agrees to fulfill the obligations imposed by this agreement ("guarantor"); or
- (b) agrees to make payments required by this agreement if the Purchaser fails to fulfill his obligations under this agreement ("surety");

is also obligated to pay those monies and perform those obligations. The Secured Party may enforce its rights under this agreement and the Note against any one or all of the Purchasers. In other words any one Purchaser may be required to pay all the monies due under this agreement and the Note.

(ii) If anyone assumes the obligations or role of the Purchaser or Secured Party, he will be required to perform all the obligations of the Purchaser or the Secured Party, as the case may be. If anyone assumes the obligations or role of a guarantor or surety of this agreement, he will be required to perform all of the obligations of the Purchaser.

20. Notices

All notices given under this agreement must be in writing and delivered by hand or sent by certified mail, return receipt requested. If addressed to the Club, the mail should be sent to Harris Bay Yacht Club, Inc., P.O. Box , Cleverdale, New York 12820. If sent to the Purchaser the mail should be sent to the address set forth on the last page of this agreement. The Secured Party or the Purchaser may change their address by sending notice in compliance with this provision. Unless there is a specific provision to the contrary, all notices will be considered given when delivered by hand or deposited in a United States Post Office or an official depository maintained by the United States Postal Service, enclosed in an envelope marked certified mail, properly addressed and proper postage paid. Notice of a change of address sent by certified mail will be considered given when actually received.

Dated: Cleverdale, New York
 , 19

Purchaser

Purchaser

Street Address or P.O. Box

Post Office, State, Zip
Code

()

Area Code, Telephone Number

HARRIS BAY YACHT CLUB, INC.

By: _____

STATE OF NEW YORK)
 : ss.:
COUNTY OF)

On the _____ day of _____, 198 , before me personally came _____ to me known to be the individual(s) described in and who executed the foregoing instrument and duly acknowledged that _____ executed the same.

Notary Public

STATE OF NEW YORK)
 : ss :
COUNTY OF)

On the _____ day of _____, 198 , before me personally came _____ to me known, who being by me duly sworn, did depose and say that he resides at _____;

that he is the President (Secretary) of Harris Bay Yacht Club, Inc., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation, that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Notary Public

NOTE

, New York

, 198

1. In exchange for a loan that I have received, I promise to pay to the order of Harris Bay Yacht Club, Inc. (the "Lender"), Dollars (\$) (the "Principal"), together with interest, in legal currency of the United States. I understand that this Note may be transferred by the Lender. The Lender or anyone to whom this Note is transferred, will be entitled to receive the payments required by this Note and will be referred to in this Note as the "Holder."

2. I will pay interest at the rate of fourteen percent (14%) per year. Interest will be charged on the portion of the Principal that has not been paid. Interest will be charged beginning on the date of this Note. Interest will continue to be charged until all the Principal has been paid.

3. I will pay Principal and interest by making payments every quarter of every year. Each of my quarterly payments will be in the amount of Dollars (\$) in legal currency of the United States. I will make payments each quarter beginning on the first day of the third full month following the date of this Note. I will make payments on the first day of every third month thereafter. I will make my quarterly payments until I have paid all the Principal and interest and any other payments required by this Note, or the Pledge Agreement (signed in connection with this Note and the loan I have received). If I still owe any payments under this Note or the Pledge Agreement on , 19 , I will make those payments in full on that date.

4. I will make my quarterly payments at the office of the Lender at Route 9L, Cleverdale, New York, or any other address designated by the Holder.

5. If the Holder has not received the full amount of any of my quarterly payments within ten (10) days of the date it was due, I will pay a late charge to the Holder. The late charge will be four percent (4%) of my overdue payment of Principal and interest.

6. If the Lender gives me an "Acceleration Notice" as defined in the Pledge Agreement, all the unpaid Principal and interest earned and any other payments due, will bear interest from the date all the unpaid Principal is due, at the maximum rate then permitted by the laws of New York. The entire amount will be payable on demand of the Holder.

7. I have the right to make payments of Principal before they are due. The payment of the unpaid Principal before

the due date is referred to as a "Prepayment". The payment of any portion of the unpaid Principal before the due date is referred to as a "Partial Prepayment". Without the written consent of the Holder, I will not make any Partial Prepayment unless:

- a. it is made on the same date that one of my quarterly payments is due;
- b. it is made in the amount of the Principal payment that would have been due the following quarter, or more than one of the following quarters, and
- c. I have given the Holder ten (10) days prior notice of my intention to make a Partial Prepayment.

I understand that there will be no delays in the due dates or changes in the amounts of any monthly payments, as a result of a Partial Prepayment, unless the Holder agrees to a delay or change in writing. All prepayments will be applied to reduce the unpaid Principal I owe under this Note.

8. (a) I waive my rights to require the Holder to perform certain acts as follows:

- (i) To demand payment of the amounts due ("presentment");
 - (ii) To give notice that amounts due have not been paid ("notice of dishonor");
 - (iii) To obtain an official certification that amounts due have not been paid ("protest").
- (b) Anyone who:
- (i) agrees to fulfill the obligations imposed by this Note ("guarantor"); or
 - (ii) agrees to make payments required by this Note if I fail to fulfill my obligations under this Note ("surety"); or
 - (iii) signs this Note to transfer it to anyone else ("endorser"); also agrees to waive acts (a)(i) through (a)(iii).

9. The Pledge Agreement (signed by me in connection with this Note and the loan I have received) describes rights and duties that are imposed upon me and the Holder in connection with the loan. The Pledge Agreement describes various remedies available to the Holder if I do not fulfill the obligations imposed by this Note.

10. All notices given under this Note must be in writing and delivered by hand or sent by certified mail, return receipt requested. If addressed to the Lender the mail should be sent to: Harris Bay Yacht Club, Inc., P.O. Box _____, Cleverdale, New York 12820. If sent to the Purchaser the mail should be sent to the address set forth on the last page of this Note. The Lender or any other Holder or I, may change our address by sending notice in compliance with this provision. All notices will be considered given when delivered by hand or deposited in a United States Post Office or an official depository maintained by the U.S. Postal Service, enclosed in an envelope marked certified mail, properly addressed and proper postage paid. Notice of a change of address sent by certified mail, will be considered given when actually received.

11. a) If more than one person signs this Note, each of us is fully and personally obligated to make the full amount of all payments due under, and perform all the other obligations imposed by this Note. Any guarantor, surety or endorser is also obligated to make those payments and perform those obligations. The Holder may enforce its rights under this Note against each of us individually or against all of us. In other words, any one of us may be required to make the full amount of all payments due under this Note.

b) Any person who assumes my obligations or role under this Note, will be required to make the full amount of all payments due under, and perform all the other obligations imposed by this Note. Any person who assumes the obligations or role of a guarantor, surety or endorser of this Note, will also be required to make those payments and perform those obligations.

12. This Note cannot be changed or modified, nor can I be excused from making any payments required under, or performing any obligations imposed by this Note, unless the change, modification or waiver is in writing. The writing must be signed by the Holder, if the change, modification or waiver is to be enforceable against the Holder. The writing must be signed by me if the change, modification or waiver is to be enforceable against me.

Purchaser

Purchaser

Street Address or P.O. Box

Post Office, State, Zip

ASSIGNMENT OF MEMBERSHIP

I, (the "Assignor") in consideration of the sum of (\$) Dollars paid by (the "Assignee"), hereby assign to the Assignee, all of my right, title and interest in a membership in the Harris Bay Yacht Club, Inc., that is assigned the use of Slip No. , in the marina owned by Harris Bay Yacht Club, Inc., in the Towns of Queensbury and Fort Ann, in the Counties of Warren and Washington, in the State of New York.

The Assignee and all persons who assume or succeed to the rights and obligations or role of the Assignee, will be entitled to hold the membership that I hereby assign for as long as the membership continues, subject to the By-Laws and Rules and Regulations of the Harris Bay Yacht Club, Inc.

Dated: Cleverdale, New York
 , 198

Assignor

Assignor

STATE OF NEW YORK)
 : ss.:
COUNTY OF)

On the day of , 198 , before me personally came , to me known to be the individual(s) described in and who executed the foregoing instrument and duly acknowledged that executed the same.

Notary Public

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HARRIS BAY YACHT CLUB, INC.
Yardarm Marina
Route 9L
Cleverdale, New York 12820

Amendment No. 1

The Offering Plan (the "Plan") dated August 2, 1983 is hereby revised as follows:

A. MODIFICATIONS OF MORTGAGE

1. Special Risk "E" at page (iii) and the Section titled "Terms of Mortgage" beginning at page 5 of the Plan are revised to reflect the following undertaking by Sponsor. Sponsor agrees to extend the term of the Mortgage from 7 years until 15 years from the Closing Date upon the following terms and conditions.

a) The Club must seasonably apply for an extension and modification or replacement of the Mortgage upon the terms described in Subparagraph (b) below, from three commercial banks doing business in New York State, each with assets in excess of \$100,000,000. The Club must promptly furnish the banks with all applications, reports, documents, verifications, fees and any other items required by the banks. The Club must diligently pursue the applications in good faith.

b) All three banks must reject the Club's application for a self-amortizing extension and modification or replacement of the Mortgage, at an annual rate of interest not in excess of 12%, upon such terms and conditions as the banks may otherwise require.

c) The Club must thereafter, but, not less than 45 days prior to the lapse of 7 years from the Closing Date, notify Sponsor that the Club elects to extend the term of the Mortgage. Upon the request of Sponsor, the Club must promptly furnish Sponsor with proper verification of the Club's efforts to diligently secure an extension and modification or replacement of the Mortgage, including without limitation such documents and affidavits as Sponsor may reasonably request.

d) The Club must promptly sign and deliver a modification and extension agreement to Sponsor, in the form prepared by Sponsor's counsel, and such other documents as may be reasonably necessary to continue to secure the lien and security interest of Sponsor.

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF POLITICAL SCIENCE
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637

1980

THE UNIVERSITY OF CHICAGO
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CHICAGO, ILLINOIS 60637

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THE UNIVERSITY OF CHICAGO
DEPARTMENT OF POLITICAL SCIENCE
1100 EAST 58TH STREET
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THE UNIVERSITY OF CHICAGO
DEPARTMENT OF POLITICAL SCIENCE
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637

D. LETTER FROM SOLE ASSESSOR

Sponsor is in possession of a letter from the Sole Assessor for the Town of Queensbury dated August 29, 1983. The letter states the assessed value of the Marina property situated in the Town of Queensbury will not be increased solely as a result of the sale of the property to the Club.

E. GENERAL

This Amendment together with the Plan discloses the material facts and circumstances concerning the Marina property and the offering.

Dated: September 20, 1983

HARRIS BAY YACHT CLUB, INC.
Club
YARDARM DEVELOPMENT ASSOCIATES
Sponsor

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HARRIS BAY YACHT CLUB, INC.
Yardarm Marina
Route 9L
Cleverdale, New York 12820

Amendment No. 2

The Offering Plan (the "Plan") dated August 2, 1983, previously revised by Amendment No. 1 dated September 20, 1983, is hereby revised as follows:

A. BOATOWNERS AGREEMENTS

1. Purchasers who submit signed subscription agreements to the Selling Agent, together with the required down payment on or before March 29, 1984, will be entitled to a reduction in the payments due under their Boatowners Agreements under the following terms and conditions:

- (a) The reduction applies only to Boatowners Agreements signed and submitted to Sponsor on or before March 29, 1984.
- (b) The reduction applies only if the purchaser signs and submits a Boatowners Agreement and subscription agreement for the same slip.
- (c) The reduction applies only to purchasers not in breach of their obligations under their subscription agreements.
- (d) Payments are calculated on the basis that no boat will be of lesser dimensions than listed below, even though the actual boat may be of lesser dimensions:

<u>Slip (Membership Cost)*</u>	<u>Length</u>	<u>and</u>	<u>Beam</u>
\$23,000.**	28'	x	9'
\$21,000.**	28'	x	9'
\$19,000.	26'	x	9'
\$17,000.	26'	x	9'
\$15,000.	24'	x	8'
\$13,000.	24'	x	8'

*As shown on Schedule of Slip Location, Membership Cost and First Year's Annual Maintenance Cost, beginning at page 6 of the Plan.
**For Docks D, E, Slip Nos. 31, 32, 33, 34, 35, 36, 37, 38, payments calculated on basis that no boat will be of lesser dimensions than 26' x 9'.

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- (i) Payments for dockage are calculated at the rate of \$37.50 per foot on the basis of length.
- (ii) Payments for storage are calculated at the rate of \$2.20 per square foot for outside storage and \$3.20 per square foot for inside storage.
- (e) The payments will be due quarterly (4x a year) beginning January 15, 1984, or upon submission of the signed subscription agreement, whichever is later.
- (f) The Boatowners Agreements will terminate upon the Closing of the membership, or on April 30, 1985, whichever is earlier.
- (g) The reduction will apply only to Boatowners Agreements for the 1984 season.

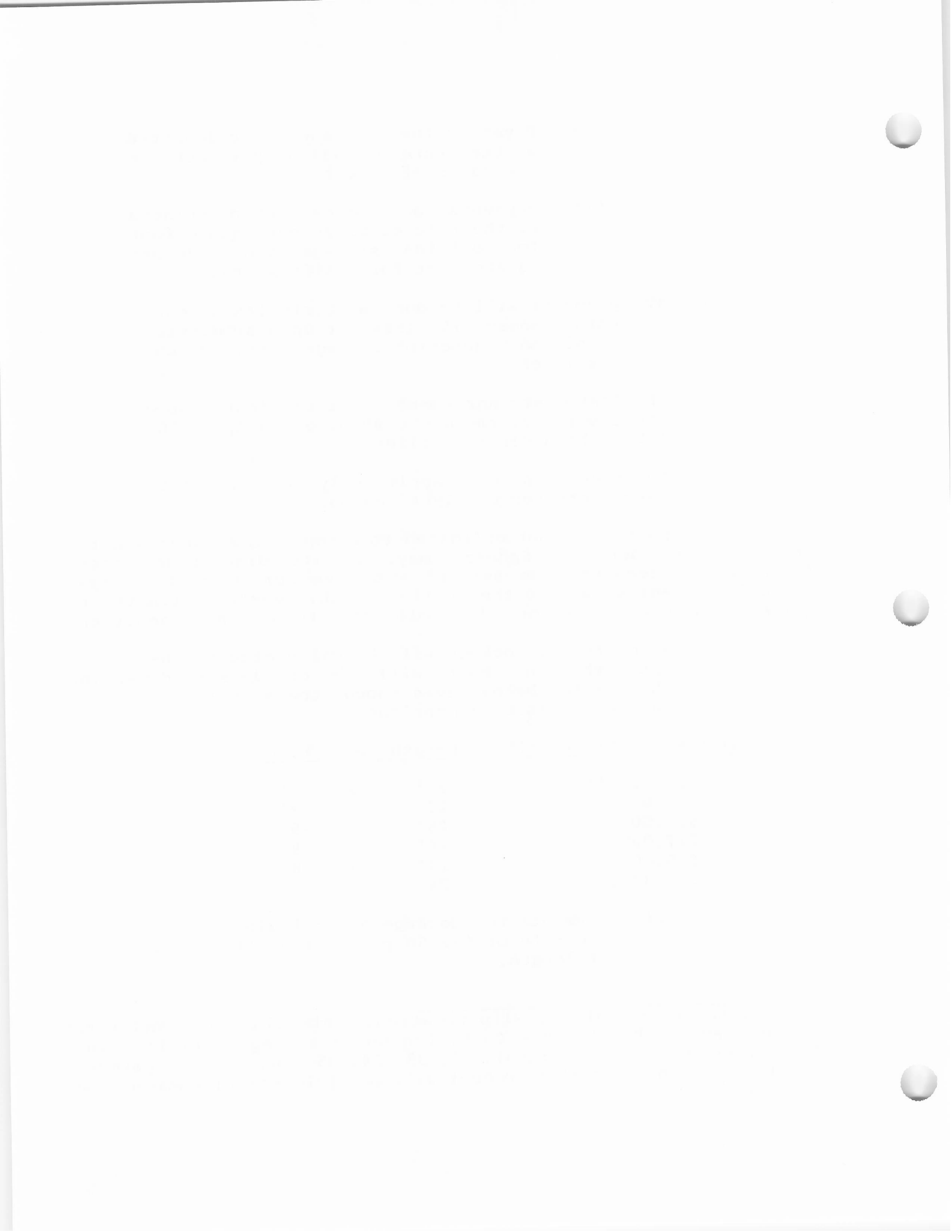
2. Sponsor is not obligated to accept a Boatowner's Agreement from any person. Sponsor may, in its discretion, accept Boatowners Agreements from persons who have not submitted signed subscription agreements to the Selling Agent, together with the required down payment under the following terms and conditions:

- (a) Payments for dockage will be calculated on the basis that no boat will be of lesser dimensions than listed below, even though the actual boat may be of lesser dimensions:

<u>Slip (Membership Cost)*</u>	<u>Length and Beam</u>		
\$23,000.**	28'	x	9'
\$21,000.**	28'	x	9'
\$19,000.	26'	x	9'
\$17,000.	26'	x	9'
\$15,000.	24'	x	8'
\$13,000.	24'	x	8'

- (i) Payments for dockage are calculated at the rate of \$42.50 per foot on the basis of length.

*As shown on Schedule of Slip Location, Membership Cost and First Year's Annual Maintenance Cost, beginning at page 6 of the Plan.
 **For Docks D, E, Slip Nos. 31, 32, 33, 34, 35, 36, 37, 38, payments calculated on basis that no boat will be of lesser dimensions than 26' x 9'.



(ii) Payments for storage are calculated at the rate of \$2.20 per square foot for outside storage and \$3.20 per square foot for inside storage.

(b) The Boatowner's Agreement will obligate the boatowner to accept any offer(s) by Sponsor or the Club, to relocate the boatowner to any other slip(s) and transfer his rights under the Agreement to the other slip(s), at any time, upon 10 days prior notice. Such other slip(s) will be adequate to provide dockage for the boat covered by the Boatowners Agreement. No relocation and transfer of rights will be offered or made, unless the Selling Agent has received a subscription agreement for the purchase of the membership which is assigned the boatowner's slip.

(c) The payments will be due in two equal installments. The first installment will be payable upon submission of the Boatowner's Agreement. The second installment will be due on or before July 1, 1984.

3. Footnote 6 on pages 13-14 of the Plan is modified to reflect that an apportionment of the payments made under the Boatowner's Agreement will be based on the figures for dockage and storage set forth in Paragraphs 1 and 2 above.

B. REDUCED SALES PRICES

Any person who submits a signed subscription agreement to the Selling Agent, together with the required down payment, on or before February 28, 1984 will purchase the applicable membership for a sales price 20% below the sales price set forth on the Schedule of Slip Location, Membership Cost and First Year's Annual Maintenance Cost. This reduction in the sales price to 20% below the price set forth on the Schedule will be deemed to apply to every signed subscription agreement previously submitted with the required down payment. After February 28, 1984 the sales prices will be those set forth on the Schedule, without further amendment of the Plan.

C. SCHEDULE OF SLIP LOCATION, MEMBERSHIP COST, AND FIRST YEAR'S ANNUAL MAINTENANCE COST

The Schedule of Slip Location, Membership Cost, and First Year's Annual Maintenance Cost, beginning at page 6 of the Plan is revised to correct the maximum length and beam of the following slips:

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<u>Slip Nos.</u>	<u>Revised Maximum Length and Beam</u>
C-04	30' x 10'
C-08	30' x 12'
C-29	36' x 13'
C-33	36' x 13'
C-40	30' x 10'
X-10	32' x 10'
X-12	32' x 10'

D. MARINA EQUIPMENT CAPACITY

The equipment at the Marina can presently serve boats not exceeding the following specifications:

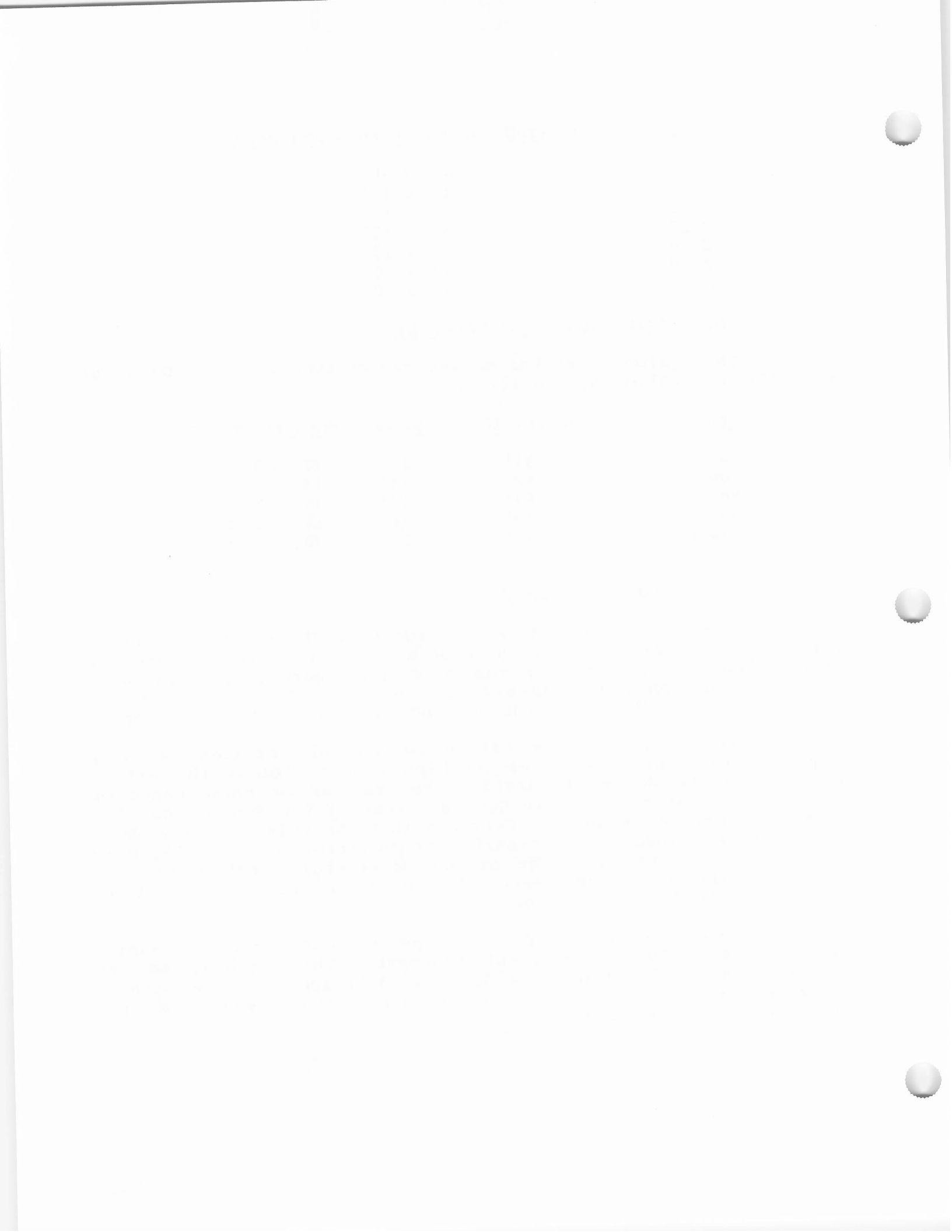
<u>Type</u>	<u>Maximum Length and Beam</u>		<u>Maximum Weight</u>
Sail	34'	12'	12,000 Lbs.
Power	42'	14'	14,000 Lbs.
Power	40'	14'	16,000 Lbs.
Power	38'	14'	18,000 Lbs.
Power	36'	14'	20,000 Lbs.

E. PERMANENT EASEMENT

Title to the bed of Lake George is held by New York State, not Sponsor. Under the Plan the Club will not receive any interest in the title to any portion of the bed of Lake George. The 7.58 acre parcel of land on the northerly side of Route 9L which is to be conveyed to the Club, extends to the shoreline of Lake George.

The New York State Office of General Services recently inquired about the sale of memberships in the Club to the extent the sale may be deemed to involve the transfer or encumbrance of the title to the bed of Lake George. Counsel for Sponsor has informed the Office of General Services that the sale of the memberships does not involve the transfer or encumbrance of the title to the bed of Lake George. The Office of General Services has not questioned the legal existence of the docks, nor the right to continue to operate the Marina.

The Office of General Services suggested that an application be made for a permanent easement. The easement may be granted under Public Lands Law Sections 3(2) and 15. The Sponsor is making such an application. No representation is made that such an easement will be granted.



If the Office of General Services were to commence an action or proceeding arising out of the absence of a permanent easement, Sponsor cannot make any representation concerning the ultimate determination by the Courts. Although it is highly improbable, at least theoretically the Courts could ultimately impair or even deprive the Club of its right to maintain the docks. The Club and its members could not be deprived of their right of access to Lake George or to launch boats, from the shoreline.

F. AMENDMENTS TO BY-LAWS

The By-Laws, beginning at page 85 of the Plan are revised to include the following provisions:

"Notwithstanding any other provision of these By-Laws the Club shall not impose any fees, levies, or other charges in connection with the sale, assignment or transfer of a membership by Yardarm Development Associates as a designee of the Club."

"Notwithstanding any other provision of these By-Laws, these By-Laws may not be replaced, modified or amended in any manner to adversely affect any of the rights or privileges of Yardarm Development Associates as a designee of the Club, without the consent of Yardarm Development Associates."

G. STATUS OF THE OFFERING

As of the date this Amendment was prepared, the Selling Agent was in possession of signed subscription agreements together with the required down payments for 31 memberships. The Selling Agent reasonably anticipates that it will be in possession of signed subscription agreements together with the required down payments for at least 20 additional memberships by January 1, 1984.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The text also mentions the need for regular audits and the role of independent auditors in ensuring the reliability of financial statements.

In addition, the document highlights the significance of transparency and accountability in financial reporting. It states that stakeholders, including investors and the public, have a right to know how their money is being managed and to have confidence in the information provided. This requires a high level of ethical conduct and adherence to established standards.

The document further explores the challenges faced by organizations in implementing robust internal controls. It notes that while technology can provide valuable tools for monitoring and reporting, it is not a substitute for strong governance and a culture of integrity. Organizations must invest in training and education to ensure that all employees understand their responsibilities and the consequences of non-compliance.

Finally, the document concludes by reiterating the commitment to excellence in financial management. It calls for a continuous effort to improve processes, adopt best practices, and stay abreast of regulatory changes. By doing so, organizations can ensure the long-term success and sustainability of their operations while maintaining the trust of their stakeholders.

The document also includes a section on the role of the board of directors in overseeing financial reporting. It states that the board has a fiduciary duty to ensure that the financial statements are fair and accurate. This involves reviewing the information provided by management and, if necessary, providing additional disclosures to the public. The board's oversight is a critical component of the corporate governance framework.

HARRIS BAY YACHT CLUB, INC.
Yardarm Marina
Route 9L
Cleverdale, New York 12820

Amendment No. 3

A. PLAN DECLARED EFFECTIVE

1. The Section of the Plan beginning at page 47 titled "Effective Date", is revised to reflect that the Plan was declared effective in accordance with the provisions of the Section on May 2, 1984, by notice mailed on such date. A copy of the notice dated May 2, 1984 is annexed as Exhibit "A".

2. As of May 2, 1984, the Club accepted subscription agreements for 54.51% of the memberships offered pursuant to the Plan.

3. A copy of an affidavit sworn to by Thomas W. Eagan on May 16, 1984, is annexed as Exhibit "B". The affidavit contains additional information pertinent to the declaration of effectiveness.

B. CLOSING DATE SCHEDULED

1. The Closing Date is July 2, 1984. The Closing Date will be scheduled by notice mailed on May 17, 1984. A copy of the notice dated May 17, 1984 is annexed as Exhibit "C".

2. All purchasers are required to pay the balance of the purchase price and sales tax within 15 days of the notice annexed as Exhibit "C". Payment of the balance and sales tax must be made as more particularly described in Exhibit "C".

3. Purchasers who applied for financing by the Club, by signing a Financing Contingency Rider and were notified in writing by the Club that financing will be provided, must within 15 days of the notice annexed as Exhibit "C": (i) sign financing and loan documents required by the Club; (ii) pay legal fees; and (iii) pay the portion of the balance not being financed by the Club; as more particularly described in Exhibit "C".

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C. MANAGEMENT AGREEMENT MODIFIED

The Section of the Plan titled "Management Agreement" beginning at page 71 and the Management Agreement, are revised to reflect the following vehicles and equipment that currently are owned by YMI, will be provided to the Club and its employees: 1978 Ford pick-up truck; 1983 Chevrolet diesel dual-axle, one-ton truck; 1964 GMC semi-tractor; 25-ton Garwood crane; Hyster 11,000 lb. fork truck; Hyster 10,000 lb. fork truck; one Clark tractor; and certain trailers, equipment and tools more specifically described in the Management Agreement.

D. MODIFICATION OF VOTING RIGHTS

The Subsection of the Plan titled "Board of Directors" beginning at page 59 and By-Laws, Article VI, Section A are revised as follows to conform with Not-For-Profit Corporation Law Section 611:

"Each member shall be entitled to one vote regardless of the number of memberships held."

E. CAPACITY OF SLIPS REVISED

The Schedule of Slip Location, Membership Cost and First Year's Annual Maintenance Cost beginning at page 6 of the Plan is revised to restate the length and beam of the following slips:

<u>Slip Nos.</u>	<u>Revised Maximum Length and Beam</u>
A-23	36'X13'
A-21	36'X12'
F-15	28'X10'
F-17	28'X 9'
CX-2	34'X14'
CX-6	32'X11'

F. MORTGAGE MODIFIED

The Section of the Plan titled "Terms of Mortgage" beginning at Page 50 and the Mortgage are revised to reflect that if the entire indebtedness secured by the Mortgage becomes due at maturity or by reason of a default, the Club will be required to pay additional interest at the rate of 2% per annum, on any part of the indebtedness remaining unpaid after the date due.

G. CONTRACT OF SALE MODIFIED

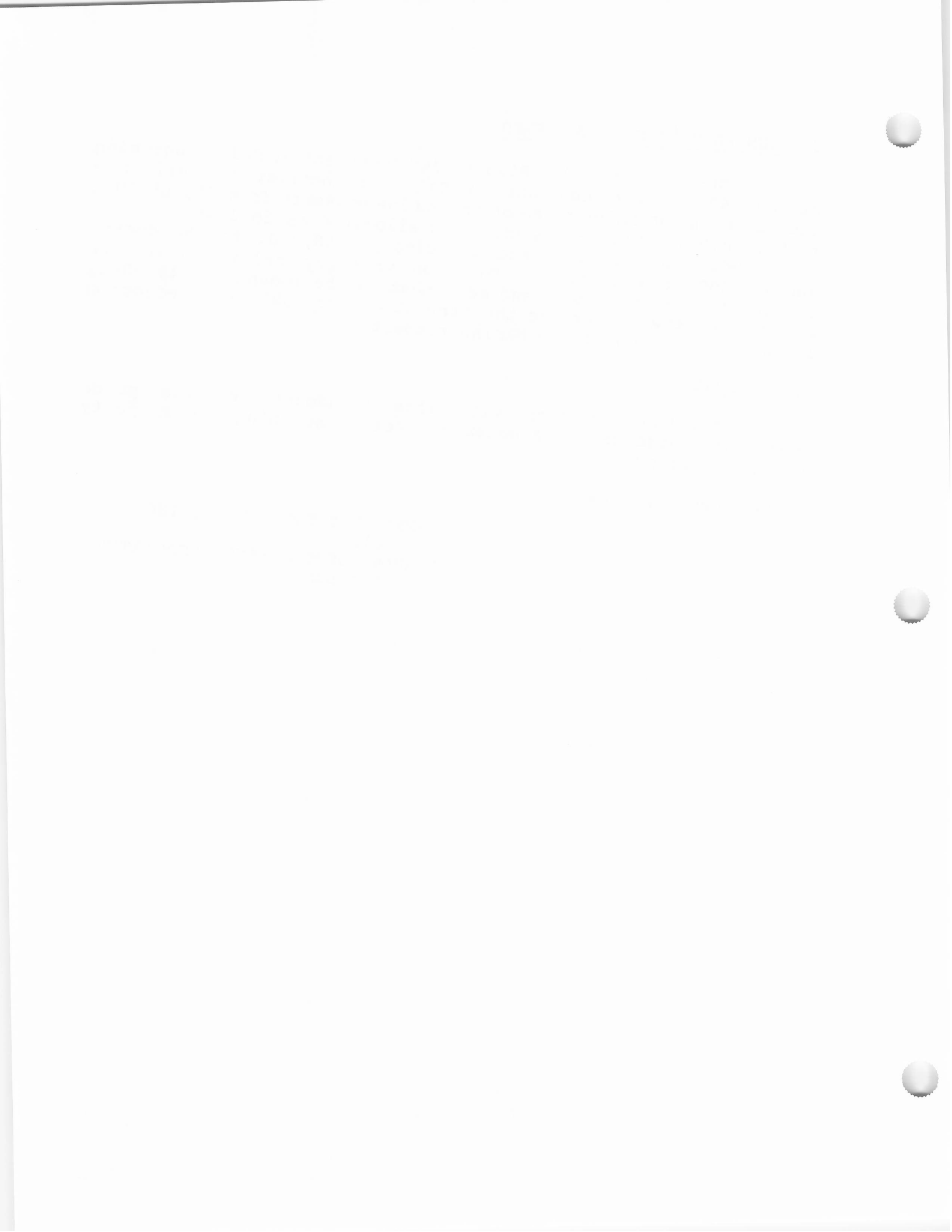
The Section of the Plan titled "Contract of Sale" beginning at page 62 and the Contract of Sale are modified to reflect a reduction in the sales price of the Marina property from \$5,085,000. to \$4,500,000. This sales price is allocated as follows: \$3,800,000. to the land and buildings; \$650,000. to the docks; and \$50,000 to equipment. The Club will pay sales tax on the Closing date on the docks and equipment in the amount of \$49,000., but will otherwise receive the benefit of the \$585,000. reduction in the sales price of the Marina property.

H. GENERAL

The Plan together with this Amendment and the prior amendments, discloses the material facts concerning the Property and the offering.

Dated: June 5, 1984

HARRIS BAY YACHT CLUB, INC.
Club
YARDARM DEVELOPMENT ASSOCIATES
Sponsor



H. GENERAL

This Amendment together with the Plan and the prior amendment discloses the material facts and circumstances concerning the Marina property and the offering.

Dated: December 27, 1983

HARRIS BAY YACHT CLUB, INC.
Club

YARDARM DEVELOPMENT ASSOCIATES
Sponsor

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
5800 S. UNIVERSITY AVENUE
CHICAGO, ILLINOIS 60637

PROFESSOR [Name]
[Address]
[City, State, Zip]



Yardarm Marina
Route 9L
Cleverdale, New York 12820

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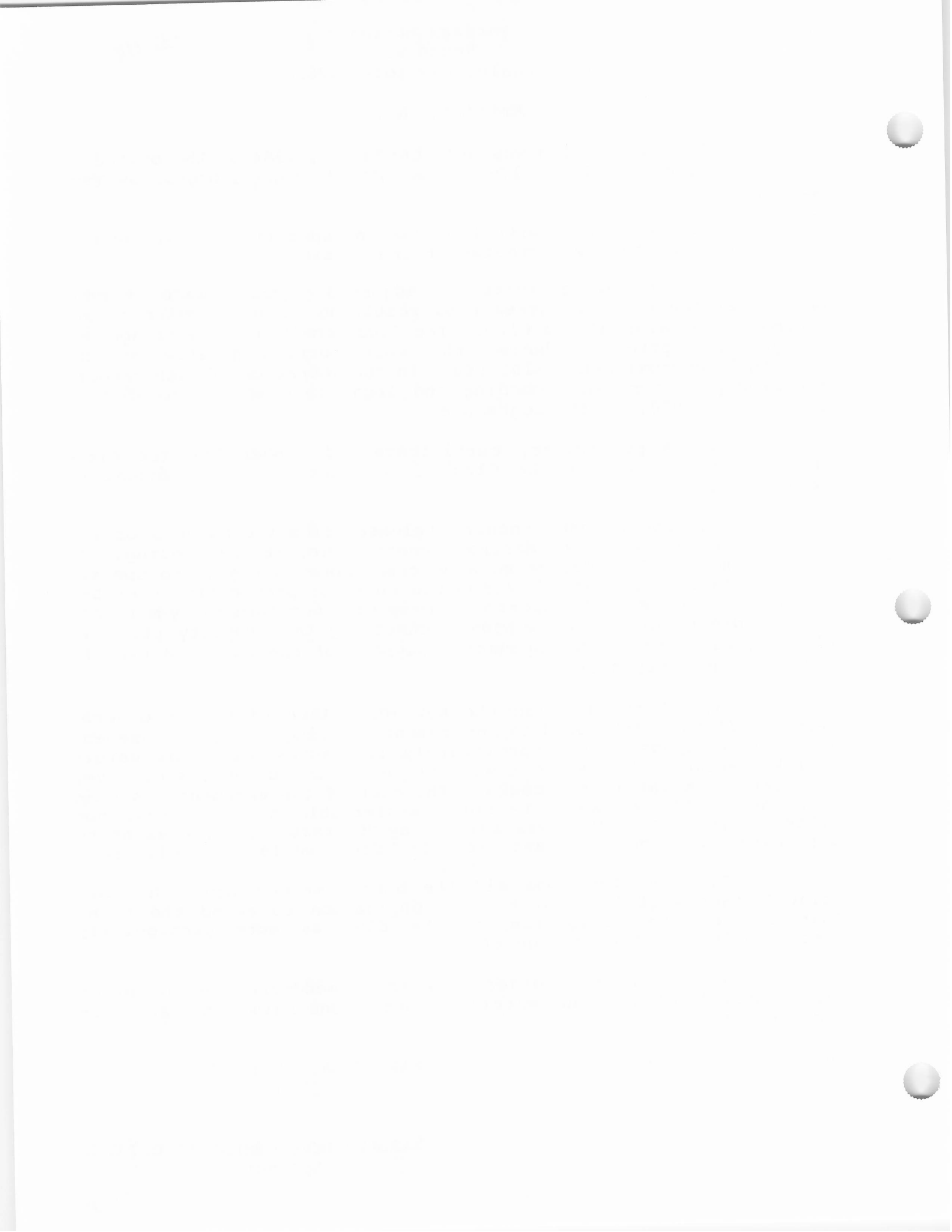
Amendment No. 4

1. The Closing was held on July 2, 1984 at the office of Walter O. Rehm III, Esq., 175 Ottawa Street, Lake George, New York 12845.
2. Consistent with the Plan, no specific reserve fund or working capital fund was created at the Closing.
3. Sponsor gratuitously adjusted payments made by members under Boatowner's Agreements, resulting in net closing apportionments in favor of the Club. The Club received a credit against the purchase price, reducing the cash portion payable at the Closing by approximately \$100,000. In consideration of such credit, the Club paid certain recording and legal fees which amounted to less than \$4,000, in the aggregate.
4. A preliminary certificate and binder for fee title insurance was issued to the Club at the Closing in the amount of \$4,500,000.
5. The Sponsor secured releases from the holders of all mortgages encumbering the Marina property prior to the Closing. At the Closing the Club delivered a purchase money mortgage to Sponsor in the principal amount of \$4,500,000 on terms previously described in the amended Plan. The Sponsor assigned the purchase money mortgage to the holders of the mortgages encumbering the property prior to Closing, as security for Sponsor's payment of the notes secured by the mortgages they hold.
6. At the Closing the New York State Office of General Services ("OGS") delivered an instrument creating a 25 year easement in favor of Sponsor, to approximately 11.6 acres under the waters of Lake George. The easement was secured to avoid any dispute over the right to maintain the docks. The cost of the easement was paid by Sponsor. The easement is not transferrable by its terms, but Walter O. Rehm, III, Esq. was assured by OGS that written consent to a transfer of the easement to the Club would be delivered.
7. The Club owns all the unsold memberships. At this point Sponsor will have no further obligation to amend the Plan. That will be the obligation of the Club as more particularly described in the Plan at page 60.
8. The Plan together with this Amendment and the prior amendments, discloses the material facts concerning the Property and the offering.

Dated: July 26, 1984

HARRIS BAY YACHT, INC.
Club

YARDARM DEVELOPMENT ASSOCIATES
Sponsor



HARRIS BAY YACHT CLUB, INC.
Harris Bay Yacht Club
Cleverdale, New York 12820

AMENDMENT NO. 5

A. SALES PRICES/UNSOLD MEMBERSHIPS

The "Schedule of Slip Location, Membership Cost" etc. beginning at page 6 of the Plan and any amendment thereto, is revised to reflect a fifteen percent (15%) increase in the membership cost (sales price), effective immediately upon the acceptance of this Amendment for filing. Annexed hereto as Exhibit "A" is a schedule of the slips assigned to Memberships, unsold as of the date this Amendment was prepared.

B. 1984 FINANCIAL STATEMENT

Annexed hereto as Exhibit "B" is a financial statement of the Club for the six (6) month period ending December 31, 1984.

C. AMENDMENTS TO BY-LAWS

The Section of the Plan titled "The Club" beginning at page 54, and the By-Laws of the Club beginning at page 85, were amended by a vote of 66 2/3% of all the Memberships. Annexed hereto as Exhibit "C" are copies of the self-explanatory amended provisions of the By-Laws.

D. 1985 BUDGET

Annexed hereto as Exhibit "D" is a copy of the budget of the Club for the 1985 fiscal year.

E. OFFICERS/DIRECTORS

The following persons were elected officers and/or directors of the Club for the terms enumerated:

1. Officers/Terms:

Joseph Ferrante - President - 3 year term
Brian O'Donnell - Vice President - 2 year term
Thomas Sharkey - Secretary - 2 year term
William Perry - Treasurer - 2 year term
Douglas Beatty - Assistant Treasurer - 2 year term

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2. Directors/Terms:

Thomas Eagan - 3 years
Bernard Reeder - 3 years
Joseph Ferrante - 3 years
Brian O'Donnell - 2 years
JoAnn Wasserman - 2 years
Douglas Beatty - 2 years
William O'Connor - 1 year
Kerk Moore - 1 year
Tony Brock - 1 year

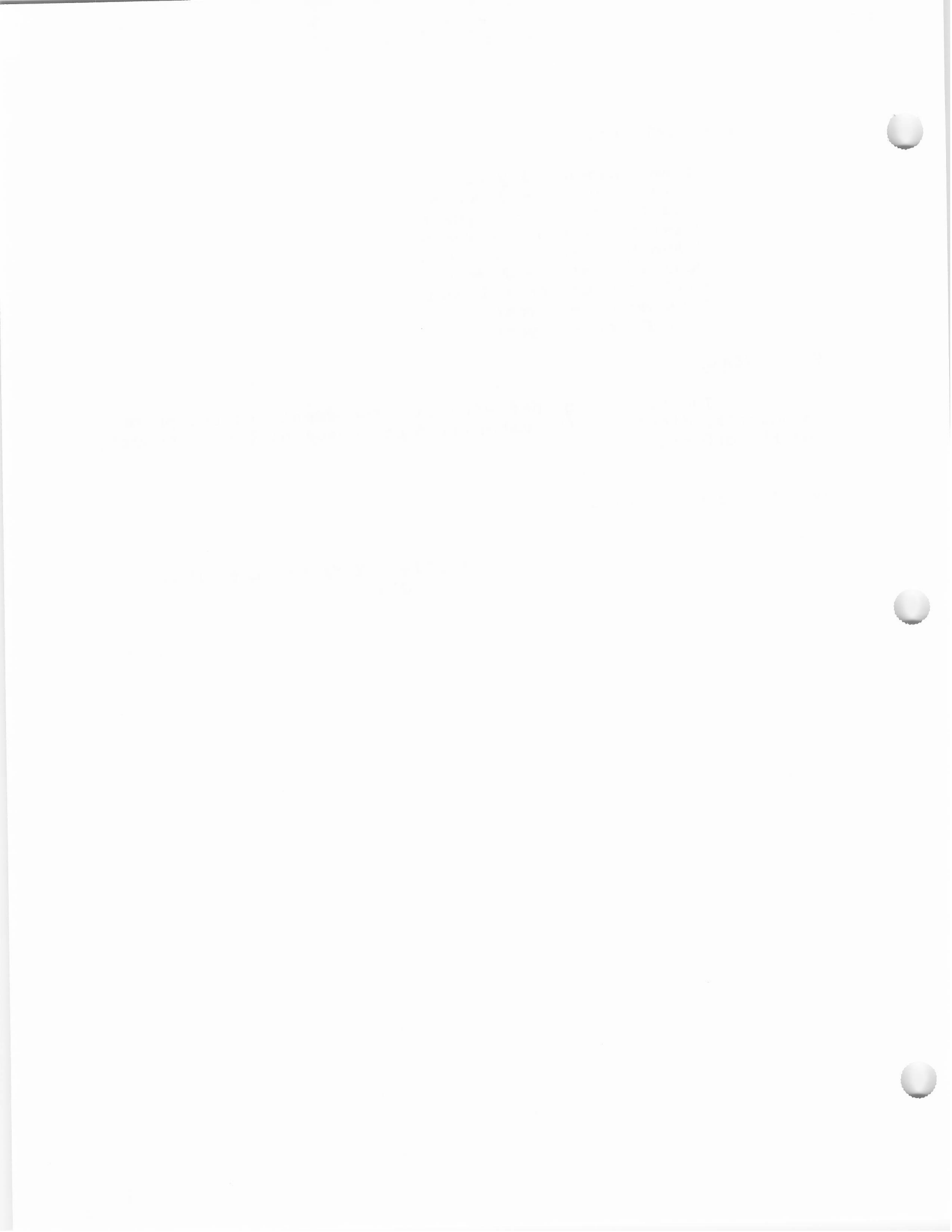
F. GENERAL

The Plan, together with this Amendment and the prior amendments, discloses the material facts concerning the Property and the offering.

Dated: July 16, 1985

HARRIS BAY YACHT CLUB, INC.
Club

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Oct. 26, 1984 : AMENDMENTS TO HARRIS BAY YACHT CLUB, INC. BY-LAWS

ARTICLE X QUORUM, PROXIES AND WAIVERS

Section K. Voting By Mail Ballot

Whenever the vote of the membership is required or permitted by Statute or by the Certificate of Incorporation or these By-Laws, to be taken in connection with any action of the Club, including, but not limited to, the election of an initial Board of Directors or the adoption of amendments to these By-Laws, such vote may, upon motion of the Board of Directors, be taken by written ballot forwarded to all members by regular mail containing a prepaid self-addressed return envelope for each ballot. Each ballot shall contain a concise statement to the effect that completed ballots must be received by the Club before twelve o'clock noon on a specific date not less than ten (10) nor more than twenty (20) days from the date that ballots were mailed by the Club. Ballots received after the designated date shall not be counted. All voting by mail shall be decided by a simple majority of official ballots received by the Club with the time limit specified above except a vote to amend these By-Laws which shall require the vote specified in ARTICLE XVII hereof.

ARTICLE XI BOARD OF DIRECTORS

Section A. Number and Term

An initial Board of Directors consisting of three (3) Directors shall be designated by the Sponsor to serve until the first annual meeting or until a regular Board has been elected, whichever shall occur first. Nine (9) Directors shall constitute the whole Board of which seven (7) Directors shall be elected in the following manner:

- 1) The members from each of the Club's seven docks (A, B, C, C-extension, D, E, F) shall at separate dock meetings or by mail ballot nominate two or more candidates for election to the Board from each dock.
- 2) Thereafter, members from each dock shall elect a Director from those nominated from that dock, each member being entitled to vote for the Director designated for the specific dock assigned to a member. Members assigned more than one slip per dock shall have one vote; members assigned slips at two or more docks shall have one vote per dock.

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3) The President shall be elected from and shall be one of the nine (9) sitting Directors.

4) Notwithstanding any other provision of these By-Laws, the Sponsor shall designate one of the at-Large Directors to serve until December 31, 1987.

Directors shall serve for a term of three (3) years except the first elected Board of Directors shall serve for staggered terms as follows:

- (1) First President - 3 years
- (2) Subsequent Presidents - 2 years
- (3) Director-at-Large - 3 years
- (4) Directors representing docks - 3 years

The terms of the first elected Directors representing docks shall be selected by lottery to serve as follows:

- (1) One Year - 3 Directors
- (2) Two Years - 3 Directors
- (3) Three Years - 1 Director

Section B. Voting

Except as provided in ARTICLE XI, Section A, each membership shall have one vote for each Director to be elected. No more than one vote will be allowed for each membership. If more than one person holds a membership, the holders of the membership must designate the holder entitled to cast the vote attributable to the membership, in a written instrument filed with the Secretary. The Secretary may promulgate a form of instrument.

Section C. Vacancy and Replacement

If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors though less than a quorum, at a special meeting of Directors duly called for this purpose, shall choose a successor, who shall hold office for the unexpired term in respect of which such vacancy occurred and until his successor is duly elected and qualified. In the event an initial Director appointed by Sponsor dies or resigns, or is removed from or otherwise leaves his office, the Sponsor shall have the right to appoint another Director in his place. The replacement of a Director that represented a particular dock shall

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud.

2. The second part of the document outlines the specific procedures that must be followed when recording transactions. It details the steps from the initial receipt of funds to the final entry in the accounting system, ensuring that every transaction is properly documented and verified.

3. The third part of the document discusses the role of internal controls in ensuring the accuracy of financial records. It describes how internal controls can be designed to minimize the risk of errors and to provide a clear audit trail for all financial activities.

4. The fourth part of the document addresses the importance of regular audits in the financial reporting process. It explains how audits can help to identify and correct errors, and to ensure that the financial statements are true and fair.

5. The fifth part of the document discusses the role of management in ensuring the accuracy of financial records. It emphasizes that management has a responsibility to establish a strong control environment and to ensure that all employees understand and follow the established procedures.

6. The sixth part of the document discusses the importance of transparency and communication in the financial reporting process. It explains that clear communication and transparency are essential for building trust and for ensuring that all stakeholders have access to accurate and timely financial information.

be from the membership assigned to the dock that the replaced Director represented.

Section C. Removal

Directors may be removed for cause by an affirmative vote of a majority of the memberships. No Director, other than a designee of the Sponsor, shall continue to serve on the Board if, during his term of office, he shall cease to be a member. The failure by a Director to attend three (3) regular meetings of the Board during any calendar year shall constitute cause for the removal of such Director.

ARTICLE XII OFFICERS

Section D. Term

The officers shall hold office for a period of two years and until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board.

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Dear Mr. [Name],

I have received your letter of [Date] regarding [Subject].

HARRIS BAY YACHT CLUB, INC.
Harris Bay Yacht Club
Cleverdale, New York. 12820

AMENDMENT NO. 6

A. SALES PRICES/UNSOLD MEMBERSHIPS

The "Schedule of Slip Location, Membership Cost" etc. beginning at page 6 of the Plan and any amendment thereto, is revised to reflect an increase in the membership cost (sales price), effective immediately upon the acceptance of this Amendment for filing. Annexed hereto as Exhibit "A" is a schedule of the slips assigned to Memberships, unsold as of the date this Amendment was prepared.

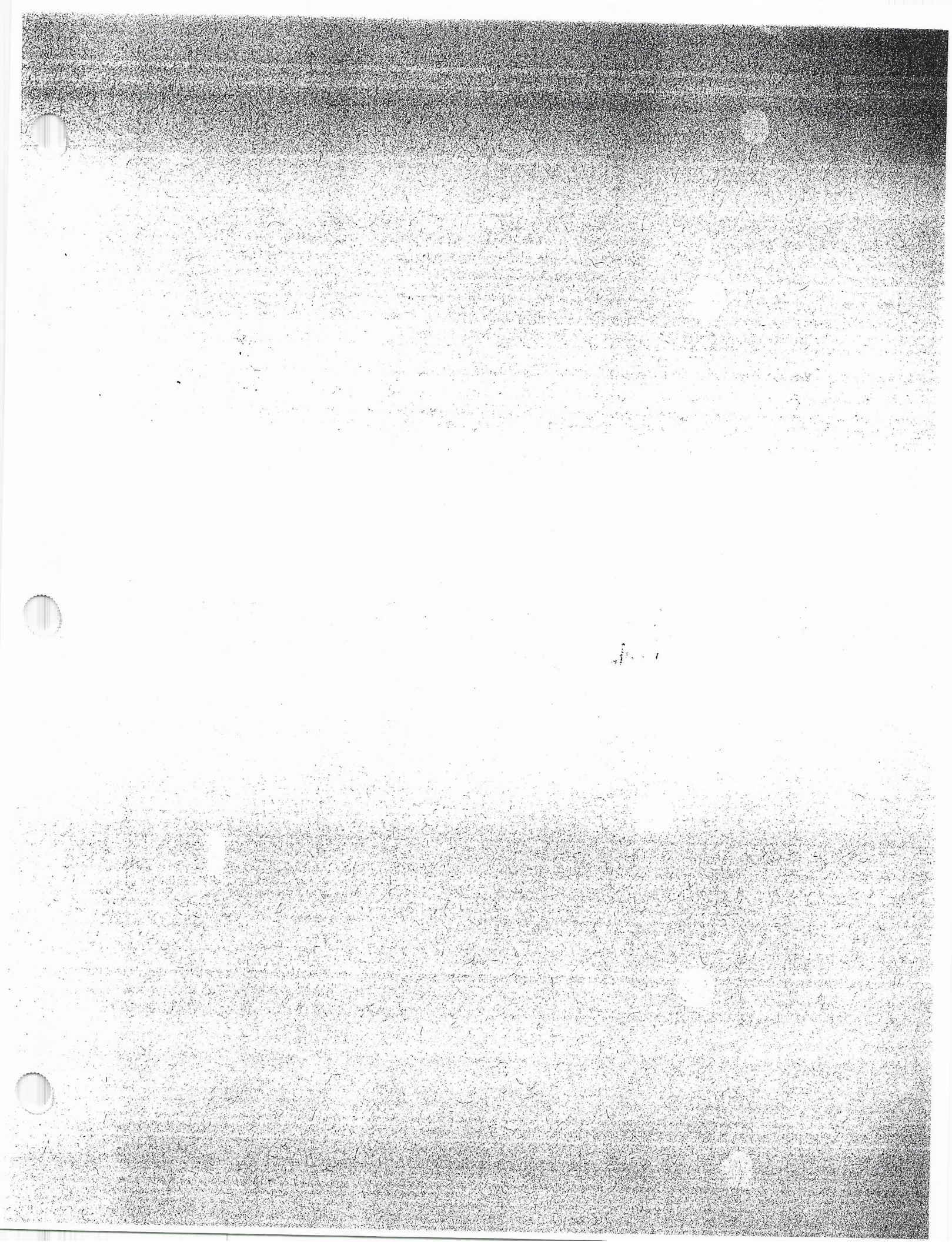
B. GENERAL

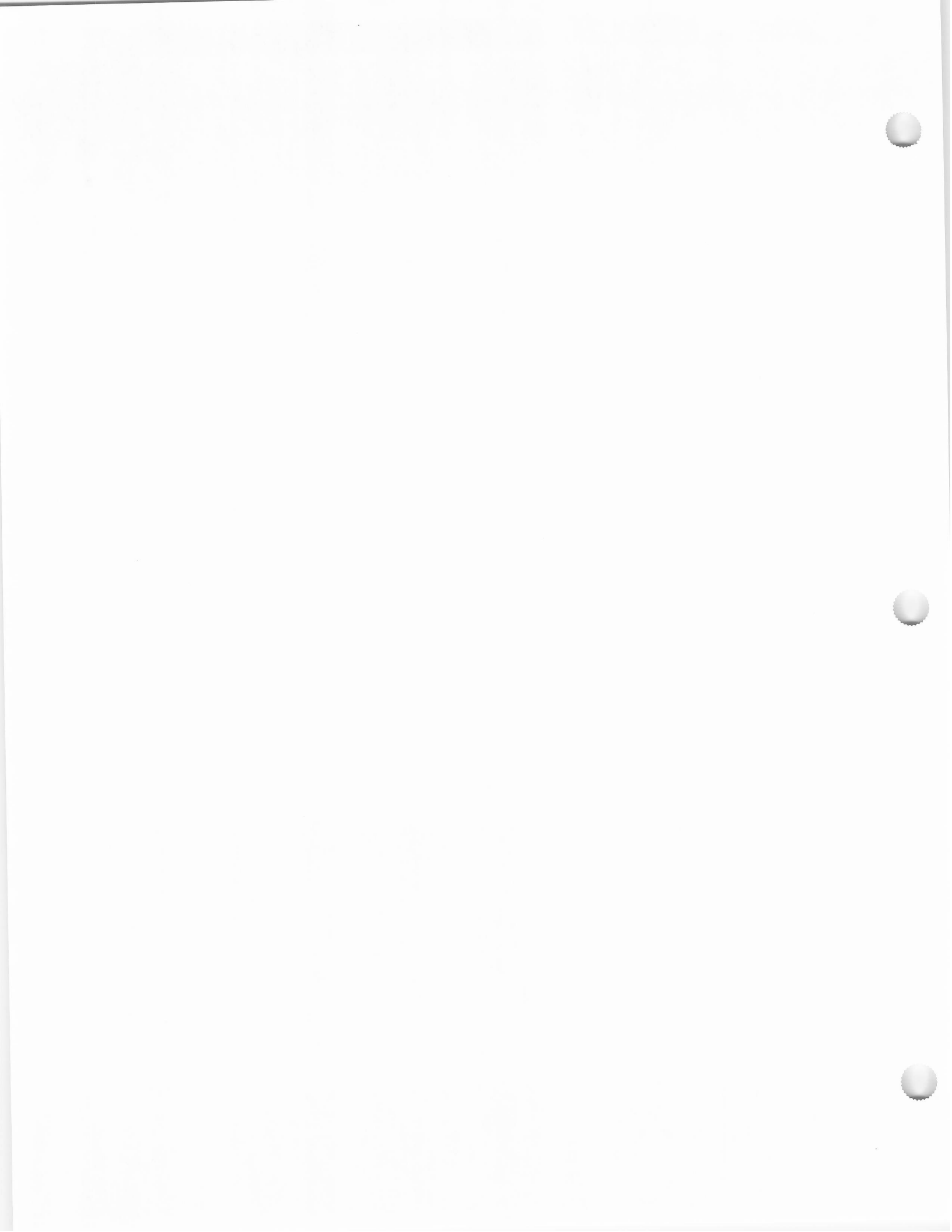
The Plan, together with this Amendment and the prior amendments, discloses the material facts concerning the Property and the offering.

Dated: December 27, 1985

HARRIS BAY YACHT CLUB, INC.
Club

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Proposed Price Change

Dock	Membership Class	Present Price	Proposed Price
B-3	C	21850.00	26000.00
B-4	C	21850.00	26000.00
C-6	B	24150.00	28000.00
C-10	A	26450.00	30000.00
C-16	A	26450.00	30000.00
C-26	A	26450.00	30000.00
D-23	C	21850.00	26000.00
D-31	B	24150.00	28000.00
D-32	B	24150.00	28000.00
D-33	B	24150.00	28000.00
D-34	B	24150.00	28000.00
D-35	B	24150.00	28000.00
D-36	B	24150.00	28000.00
D-37	B	24150.00	28000.00
D-38	B	24150.00	28000.00
D-42	A	26450.00	30000.00
E-17	D	19550.00	24000.00
E-23	C	21850.00	26000.00
E-25	C	21850.00	26000.00
E-29	C	21850.00	26000.00
E-30	C	21850.00	26000.00
E-31	B	24150.00	28000.00
E-33	B	24150.00	28000.00
E-34	B	24150.00	28000.00
E-35	B	24150.00	28000.00
E-36	B	24150.00	28000.00
E-37	B	24150.00	28000.00
E-38	B	24150.00	28000.00
E-41	A	26450.00	30000.00
F-16	A	26450.00	30000.00
F-36	A	26450.00	30000.00
F-37	A	26450.00	30000.00
CX-3	B	24150.00	28000.00
CX-5	B	24150.00	28000.00
CX-13	B	24150.00	28000.00
CX-25	B	24150.00	28000.00
CX-26	A	26450.00	30000.00
CX-27	B	24150.00	28000.00
CX-28	A	26450.00	30000.00
CX-29	B	24150.00	28000.00
CX-30	A	26450.00	30000.00
Total		994750.00	1152000.00

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HARRIS BAY YACHT CLUB, INC.
Harris Bay Yacht Club
Cleverdale, New York 12820

AMENDMENT NO. 7

A. REVISION TO FOOTNOTE #1 TO THE SCHEDULE
OF SLIP LOCATIONS, MEMBERSHIP COST (SALES
PRICES) AND PROJECTED ASSESSMENTS

The Board of Directors of the Harris Bay Yacht Club, Inc. has revised footnote #1 to the Schedule of Slip Locations, Membership Cost (Sales Prices) and Projected Assessments found on page 13 of the Plan to read as follows:

1. The draft, length, and beam set forth on the Schedule are the maximum draft, length and beam of the boat that will be permitted by the Club pursuant to the roster the Club is required to maintain under Article V, Section B of the By-Laws except in cases in which the Board of Directors approves an oversize boat agreement executed by the members or assignees of the members of Harris Bay Yacht Club, Inc. granting the right to use certain designated slips for over size boats. The Board of Directors shall have no obligation to approve any such agreement. In the event that the Board of Directors approves an oversize boat agreement, a notation shall be made on the roster maintained under Article V, Section B of the By-Laws that an oversize boat agreement has been approved and showing the maximum dimensions of the boats permitted in all affected slips. Oversize boat agreements shall be effective only during the calendar year in which they are approved, and approval in one year shall not obligate the Board of Directors to approve such an agreement in any subsequent year.

B. GENERAL

The Plan, together with this Amendment and the prior amendments, discloses the material facts concerning the Property and the offering.

Dated: April 29, 1986

HARRIS BAY YACHT CLUB, INC.
Club

209

HARRIS BAY YACHT CLUB, INC.
P.O. Box 139, Route 9L
Cleverdale, New York 12820

AMENDMENT 8

I. The Board of Directors of Harris Bay Yacht Club, Inc. has revised the schedule of slip location, membership cost and first year's annual maintenance cost as follows:

<u>Maximum Draft</u>	<u>Maximum Length and Beam</u>	<u>Location Dock No.</u>	<u>Membership Cost</u>	<u>Estimated Annual Maintenance Cost</u>
3.5'	30' X 9'	F-14	\$30,000	\$800.00
3.5'	30' X 10'	F-18	\$30,000	\$800.00
3.5'	30' X 10'	F-20		\$800.00
3.5'	32' X 12'	F-22		\$800.00
3.5'	36' X 12'	F-26		\$800.00
3.5'	30' X 9'	F-27		\$800.00
3.5'	34' X 12'	F-28		\$800.00
4'	36' X 12'	F-32		\$800.00
4.5'	36' X 13'	F-34		\$800.00
4.5'	36' X 13'	F-36		\$800.00
4.5'	42' X 14'	F-37		\$800.00

Page 14, Paragraph 9 of the prospectus is deleted.

2.5'	32' X 12'	A-1	\$35,000	\$800.00
2.5'	24' X 8'	A-2	\$24,000	\$800.00
2.5'	36' X 13'	A-3	\$37,000	\$800.00
2.5'	36' X 12'	A-5	\$37,000	\$800.00
5'	24' X 8'	CE-1	\$24,000	\$800.00

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II. The Board of Directors has voted to authorize sale of memberships which may be assigned to docks A-1, 2, 3, 5 and CE-1 previously designated as service docks.

III. The Board of Directors has amended Rights of Membership Subdivision(c) appearing on page 56 of the prospectus to read:

Each membership's boat will be entitled to the services described in the section entitled "Commissioning/Decommissioning" as amended which replaces the subsection titled "Scotia Marine North, Inc. Commissioning/Decommissioning Contract", beginning at Page 73.

IV. The Board of Directors has amended management agreement beginning at p. 71 of the prospectus to read as follows:

The Club will enter into an agreement with American Marinas, Inc. (AMI) the successor to Yardarm Marina, Inc. (YMI), an affiliate of Sponsor, effective midnight July 1, 1987, for the management of the marina property (the "management agreement"). AMI maintains an office at 55 Bay Street, Glens Falls, New York 12801. The management agreement will expire midnight, December 31, 1989, subject to earlier cancellation upon 30 days notice if the Club or AMI is in default of any of their material obligations or engaged in a continuing violation of any law, statute, ordinance, rule, regulation or other governmental requirement, as more fully described in the agreement.

The management agreement provides for annual compensation in the amount of \$84,000.00. The management agreement obligates AMI to perform the following services among others:

- (a) hire, supervise and discharge employees;
- (b) cause the Marina property to be maintained as a seasonal marina;

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is essential for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent data collection procedures and the use of advanced analytical techniques to derive meaningful insights from the data.

3. The third part of the document focuses on the implementation of data-driven decision-making processes. It provides a detailed overview of the steps involved in identifying key performance indicators (KPIs) and using data to inform strategic decisions.

4. The fourth part of the document discusses the challenges and risks associated with data management and analysis. It addresses issues such as data quality, security, and privacy, and offers strategies to mitigate these risks.

5. The fifth part of the document concludes by summarizing the key findings and recommendations. It stresses the importance of a continuous learning and improvement mindset in the context of data management and analysis.

6. The sixth part of the document provides a detailed overview of the organizational structure and the roles of various departments. It highlights the interdependencies between different functional areas and the need for effective communication and collaboration.

7. The seventh part of the document discusses the financial performance of the organization over the past year. It provides a breakdown of revenue, expenses, and profit, and identifies the key drivers of financial success.

8. The eighth part of the document outlines the marketing and sales strategies implemented during the year. It details the various campaigns, channels, and tactics used to attract and retain customers, and evaluates their effectiveness.

9. The ninth part of the document discusses the human resources management practices, including recruitment, training, and performance management. It highlights the organization's commitment to developing a skilled and motivated workforce.

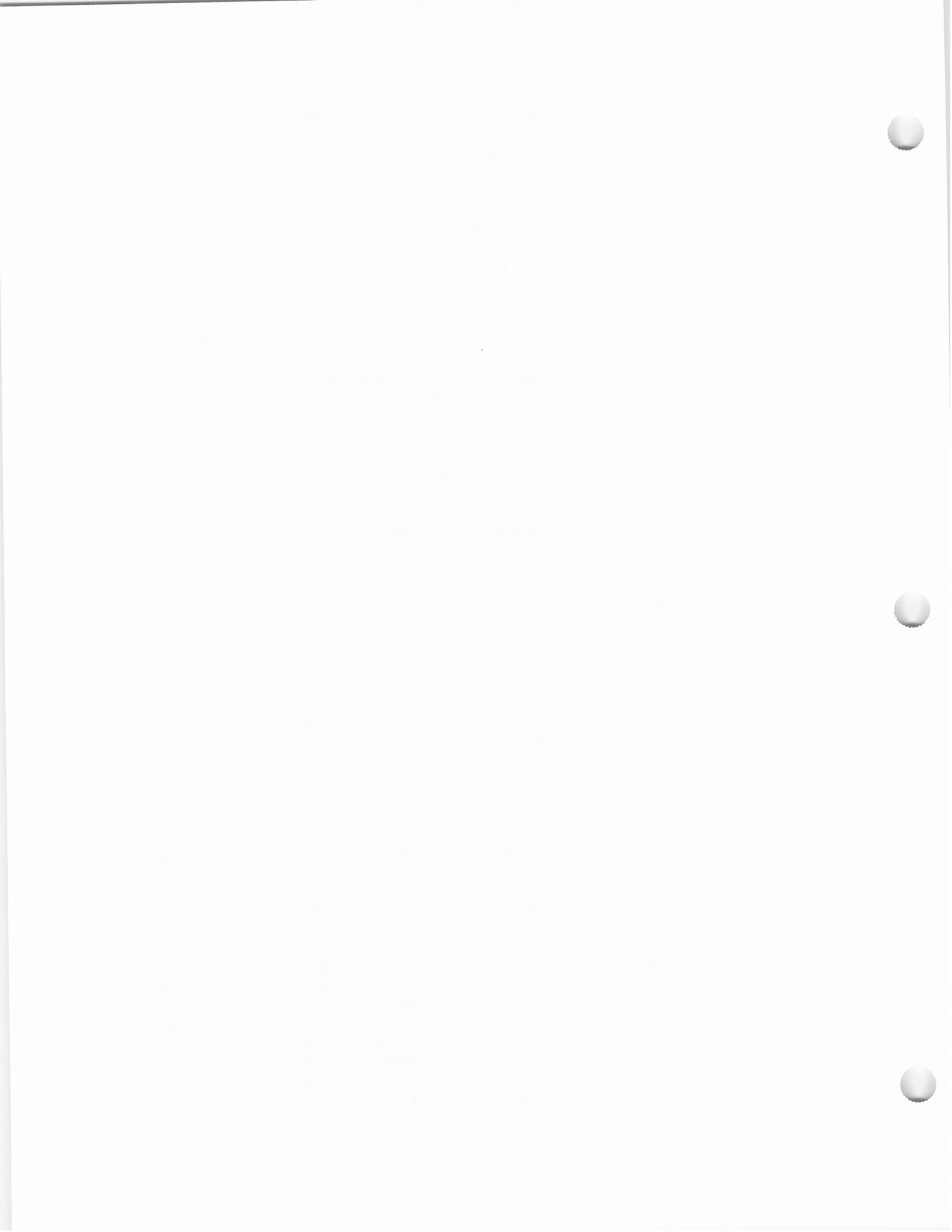
10. The tenth part of the document provides a detailed overview of the legal and regulatory compliance requirements. It discusses the organization's adherence to various laws and regulations, and the measures taken to ensure ongoing compliance.

11. The eleventh part of the document discusses the environmental and social governance (ESG) initiatives. It highlights the organization's commitment to sustainable practices and its efforts to address environmental and social issues.

12. The twelfth part of the document concludes by summarizing the overall performance of the organization and the key areas for improvement. It provides a clear roadmap for the future and emphasizes the organization's commitment to long-term success.

- (c) enter into contracts for utilities and services;
- (d) purchase supplies and materials;
- (e) cause insurance coverage to be maintained;
- (f) check and pay bills, mortgage payments and taxes;
- (g) offer memberships for sale or lease and lease and sublease portions of the Marina property at the request of the Club;
- (h) act as transfer agent for transfer of memberships;
- (i) supervise the launching and removal of boats, the storage and winterization of boats;
- (j) bill members and tenants for assessments and rent;
- (k) bill and collect fees, rents, charges and assessments;
- (l) attend to complaints of members;
- (m) file necessary employment forms;
- (n) render monthly statements of collections and disbursements;
- (o) set up and maintain accounting records (other than books of account);
- (p) cooperate with the Club's accountants in the preparation of tax returns;
- (q) send reports and notices to the members;
- (r) prepare annually an operating budget;
- (s) assist the Club's attorneys in tax certiorari proceedings;
- (t) take action to cause all persons to comply with law, the By-Laws and Rules and Regulations.

The Management Agreement gives AMI the right to occupy the second floor of the main office building during the entire term of the Agreement and the right to use the shop located in the large storage building on the 10.58 acre parcel located on the southerly side of Route 9L, from March 15 through October 1 of each year during the term of the Agreement. The Management Agreement obligates AMI to pay the cost of heating the shop during the time AMI is entitled to use the shop.



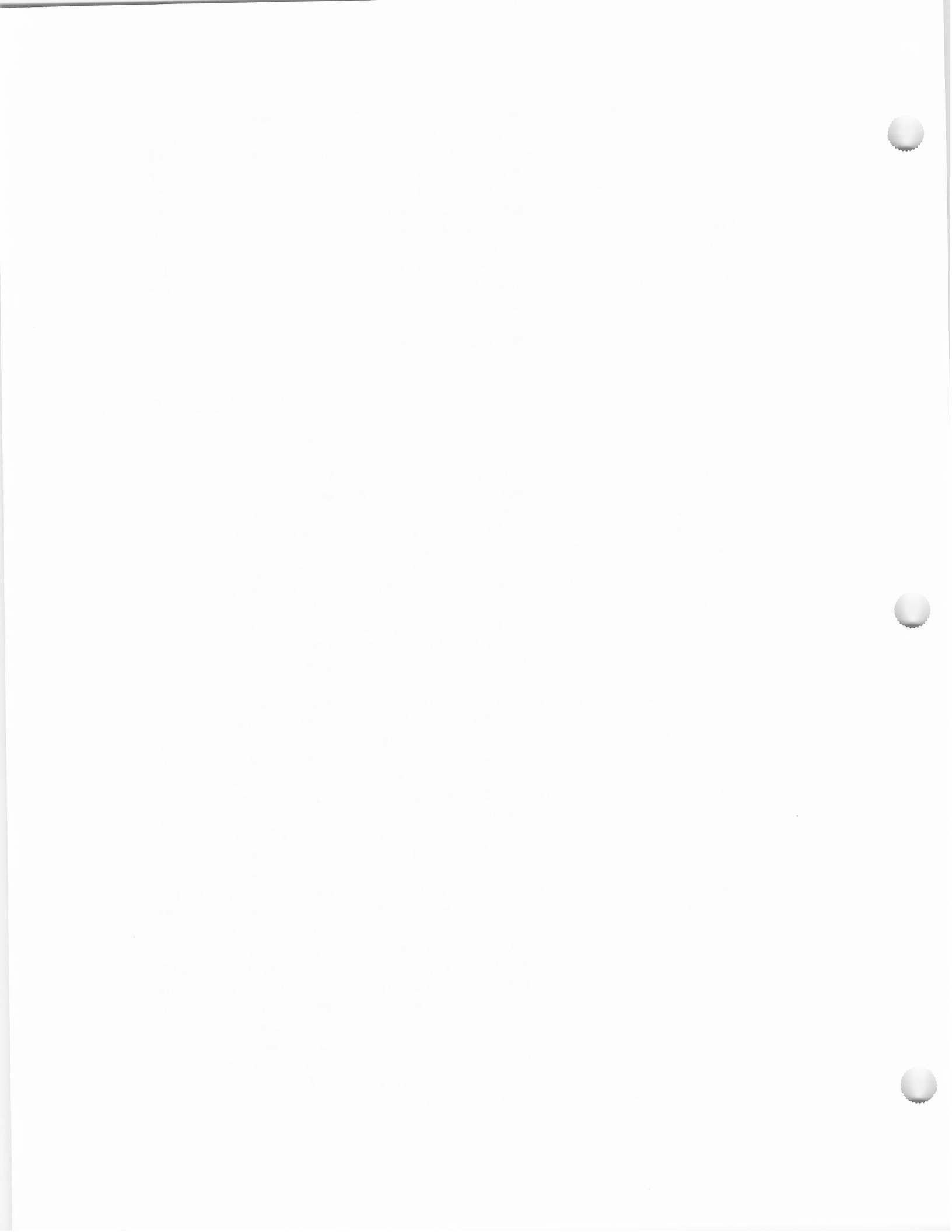
The Management Agreement provides AMI will not be liable for any loss or damage not caused by AMI's negligence, gross negligence, recklessness, intentional tort, violation of law, rule or regulation or breach of contract. The Club will be obligated to indemnify AMI from any cost or expense arising out of (a) damage, injury or loss to a third party in, about and in connection with the premises as more fully set forth in the Agreement; and (b) any costs or expenses for all acts properly performed by AMI pursuant to the instructions of the Club.

The Management Agreement may not be assigned by the Club or AMI.

V. The Board of Directors has amended Selling Agency Agreement beginning on p. 72 of the Prospectus to read:

AMI is the selling agent under the plan. The Club will enter into an agreement with AMI effective midnight, July 1, 1987, for the sale or lease of any unsold memberships (the "Selling Agency Agreement"). The Selling Agency Agreement will have a term which expires midnight, December 31, 1989, subject to earlier cancellation upon 30 days notice if the Club or AMI is in default of any of their material obligations or engaged in a continuing violation of any law, statute, ordinance, rule, regulation or other governmental requirement, as more fully described in the Agreement.

The Selling Agency Agreement provides for compensation equal to 4% of the sale price of any memberships sold, payable by the Club, and 6% of any memberships leased, payable by the lessee. The Agreement appoints AMI the exclusive selling agent and gives AMI the right to enlist the assistance of brokers to effect sales or rentals. Any commissions due such other brokers will be the exclusive obligation of AMI. The Selling Agency Agreement obligates AMI to: (i) consult with counsel for the Club; (ii) on a best efforts basis offer unsold memberships for sale or upon the request of the Club for lease; (iii) deposit down payments in the escrow account designated by the Club; (iv) accept subscription agreements for unsold memberships; (v) accept leases for unsold memberships; (vi) supervise all salespersons; (vii) obtain the approval of the Club prior to distribution of any advertisement, circular or other sales literature; (viii) pay any compensation due employees of AMI; (ix) maintain workers compensation, disability and any other insurance coverage mandated by law; and (x) exercise due diligence to effect sales in accordance with the terms of the Plan.



The Selling Agency Agreement will obligate the Club to refer all sales and rental inquiries to AMI. Any advertising or other promotional expense incurred with approval of the Club will be the exclusive obligation of the Club. The Selling Agency Agreement gives AMI the right to occupy a portion of the second floor of the main office building during the entire term of the Agreement.

The Selling Agency Agreement obligates the Club to cause the Plan to be amended in accordance with the requirements of Section 352-e of the General Business Law and the regulations promulgated under Section 352-e. The Agreement obligates the Club to maintain an escrow account for the deposit of down payments and to handle such funds in accordance with the requirements of Sections 352-e(2-b) and 352-h of the General Business Law. The Selling Agency Agreement provides that AMI will not be liable to the Club for any loss or damage not caused by an act or omission involving AMI's negligence, gross negligence, recklessness, intentional tort, violation, rule or regulation or breach of contract. The Club will be obligated to indemnify AMI from any cost or expense arising out of (a) damage, injury or loss to any third party in, about and in connection with the premises as more fully set forth in the Agreement; and (b) any cost or expense for all acts properly performed by AMI pursuant to the instructions of the Club.

The Selling Agency Agreement may not be assigned by the Club or AMI.

VI. The Board of Directors has amended the subsection entitled "Scotia Marine North, Inc. Commissioning/Decommissioning Contract" beginning at Page 71 of the prospectus to read as follows:

Commissioning/Decommissioning

The Club, by its Board of Directors will provide by contract or Club employees for Commissioning and Decommissioning of boats in the Spring and Fall which will consist of the following services:

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The text also mentions the need for regular audits and the role of internal controls in ensuring the reliability of the data.

2. The second part of the document focuses on the role of the accounting department in providing accurate and timely financial information to management. It highlights the importance of the accounting department in identifying areas of inefficiency and in recommending ways to improve the organization's performance. The text also discusses the need for the accounting department to stay up-to-date on changes in accounting standards and regulations.

3. The third part of the document discusses the importance of communication between the accounting department and other departments in the organization. It emphasizes that effective communication is essential for the accounting department to understand the needs of other departments and to provide them with the information they need to make informed decisions. The text also mentions the need for the accounting department to be transparent and to provide clear explanations of its actions and decisions.

4. The fourth part of the document discusses the importance of the accounting department in providing accurate and timely financial information to external stakeholders, such as investors and creditors. It highlights the need for the accounting department to be transparent and to provide clear explanations of its actions and decisions. The text also mentions the need for the accounting department to be up-to-date on changes in accounting standards and regulations.

5. The fifth part of the document discusses the importance of the accounting department in providing accurate and timely financial information to the public. It emphasizes the need for the accounting department to be transparent and to provide clear explanations of its actions and decisions. The text also mentions the need for the accounting department to be up-to-date on changes in accounting standards and regulations.

6. The sixth part of the document discusses the importance of the accounting department in providing accurate and timely financial information to the government. It emphasizes the need for the accounting department to be transparent and to provide clear explanations of its actions and decisions. The text also mentions the need for the accounting department to be up-to-date on changes in accounting standards and regulations.

COMMISSIONING

- (a) replace cooling system plugs;
- (b) check engines, motors, power systems, batteries, electrical systems, running lights, sinks, heads;
- (c) certify sinks and heads comply with section 33-a of the Navigation Law;
- (d) step the masts and secure the standing rigging of all sail boats.

DECOMMISSIONING

- (a) disconnect the standing rigging and unstep the masts of all sail boats;
- (b) winterize all engines, motors, water and sewage disposal systems;
- (c) store batteries for winter;
- (d) generally prepare boats for winter storage.

VII. The lease to which reference is made at pages 74 and 75 of the prospectus has expired and has not been renewed.

VIII. The Board of Directors has amended the portion of the prospectus titled "DOCKS" appearing on Page 137 to read as follows:

All docks are floating docks supported by styrofoam flotation material and decked over with timber or concrete. All docks have electrical outlets, lights and water. A sewage pump-out station and gasoline pumps are located on dock "C". The size and configuration of the docks as they existed in 1984 are shown on the "Map of Lands of Yardarm Development Associates" by Coulter and McCormack. Since 1984, some dock

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reconstruction has taken place. The slip configuration on the docks is similar although not identical to the slip configuration shown on "Map of Lands of Yardarm Development Associates" by Coulter and McCormack.

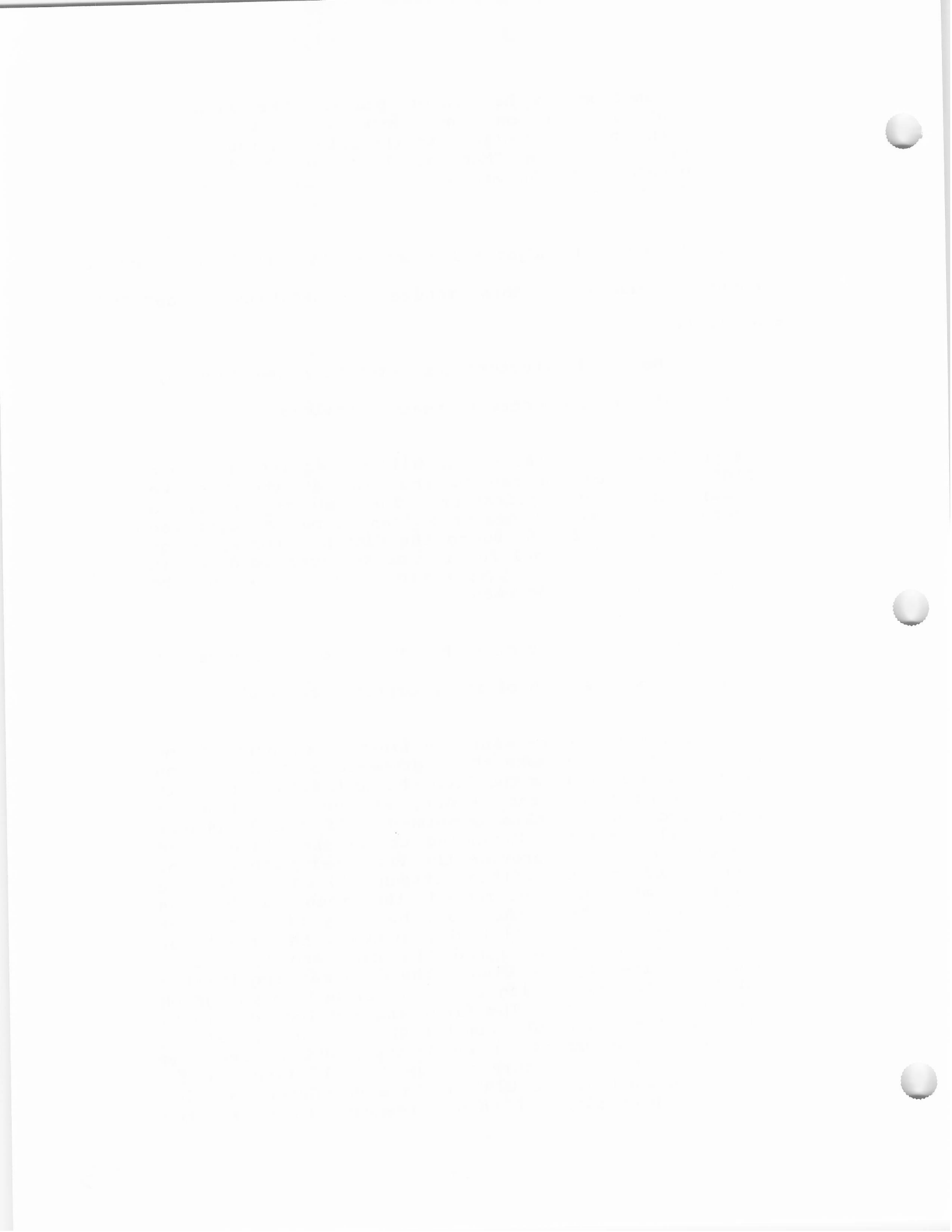
IX. The current budget and prior year's certified financial statement are annexed to this amendment as Exhibits "A" and "B", respectively.

X. The Board of Directors has voted to amend Page 45, Paragraph 6 of the prospectus to read as follows:

"A purchaser who seeks a loan will be required to pay a \$100.00 application fee to the Club at the time he submits his loan application. The Club may require a purchaser to whom it grants a loan to pay a legal fee in the amount of \$200.00 to the Club's attorney prior to closing. The legal fee is for services rendered in connection with the preparation and review of the financing and loan documents".

XI. The Board of Directors has voted to amend Page 115, Paragraph 4, Subdivision B of the prospectus to read:

"B. If the Purchaser wants to finance any part of the purchase price and make this agreement contingent upon obtaining a loan from the Club, he must sign and submit a Financing Contingency Rider, at the same time he signs and submits this agreement. If the Purchaser signs and submits a Financing Contingency Rider, and the Club agrees to provide the Purchaser with a loan, then the balance due within fifteen (15) days after the written demand will not include the amount of the loan that will be made by the Club, but only if before the end of the fifteen (15) day period, the purchaser delivers to the Club signed financing and loan documents required by the Club. The Club may require the Purchaser to pay the legal fees described in paragraph 5 of this agreement. The financing and loan documents will include without limitation: a note, pledge agreement, assignment of membership, UCC-1 financing statements and disclosure statements. If financing is being provided by the Club and the Purchaser complies with the provisions of this agreement, then only the



unfinanced portion of the balance is due before the end of the fifteen (15) day period".

XII. The Board of Directors has voted to amend Page 115,

Paragraph 5 of the prospectus to read:

5. Payment of Legal Fees

If the Purchaser finances any part of the purchase price of the membership with a loan from the Club, the Purchaser may be required by the Club to pay a legal fee to the Club's attorney in the amount of \$200.00 for the preparation and review of the financing and loan documents. The legal fees must be paid by the Purchaser's personal certified check or a cashier's check endorsed as directed by the Club at the time of closing.

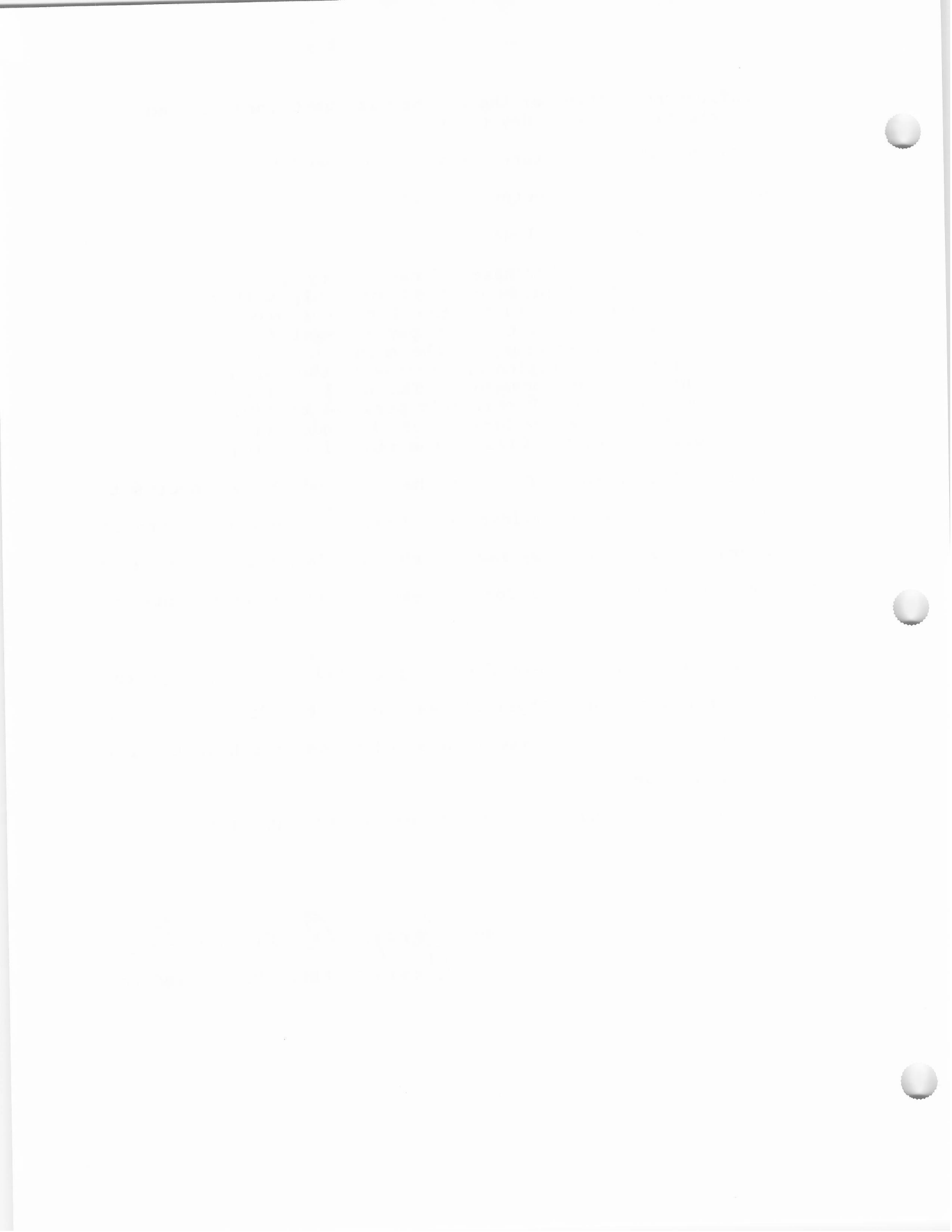
XIII. The Board of Directors has amended the prospectus to approve filing of a certificate of change to the certificate of incorporation of Harris Bay Yacht Club, Inc. beginning at Page 82 of the prospectus in the form annexed to these amendments as Exhibit "C".

XIV. The building described at page 133 of the prospectus has been replaced, and "Physical Description Building" appearing on page 133 of the prospectus is amended as set forth in Exhibit D to these amendments.

DATED: June 12, 1987

HARRIS BAY YACHT CLUB, INC.

By Joseph A. Ferrante
JOSEPH A. FERRANTE, Commodore




STATE OF NEW YORK)

) ss.:

COUNTY OF ALBANY)

On this ^{14th} day of ^{July} ~~June~~, 1987, before me personally came Haji M. Tehrani, to me known, who, being by me duly sworn, did depose and say that he resides at Ballston Spa, New York, that he is the Secretary of the corporation described in, and which executed the within Instrument; that he knows the seal of said corporation; that the seal affixed to said Instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.



NOTARY PUBLIC

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Harris Bay Yacht Club, Inc. 1987 Budget

Projected Balance Sheet													
Current Assets	1986	Jan-87	Feb-87	Mar-87	Apr-87	May-87	Jun-87	Jul-87	Aug-87	Sep-87	Oct-87	Nov-87	Dec-87
Cash FNBGF	76827	73202	39203	10471									
Cash Key													
Payroll FNBGF	203	90	188	188	100000	253429	307144	270405	279553	290588	257834	249515	273848
Payroll Key													
TCL - FNBGF													
Polly Cash	52005	16005	16005	16005	300	300	300	300	300	300	300	300	300
Cash In Reg.	300	300	300	300	300	300	300	300	300	300	300	300	300
Acct. Rec.	64048	88088	71865	65625	72989	23927	19027	12962	7502	7502	7502	7191	7191
Notes Rec.	53956	53771	55336	52651	52651	52651	52651	52651	52651	52651	52651	52651	52651
Int. Rec. Mem.	84323	50294	60366	71544	43199	48289	69096	40914	45914	66533	38512	43536	64016
Misc. Int. Rec.	97	97	97	97	97	97	97	97	97	97	97	97	97
Invent. Gen Merch	1639	1639	1639	1639	1639	1639	1639	1639	1639	1639	1639	1639	1639
Invent. Gen Merch													
Invent. - Gas	4530	4530	4530	4530	4530	4530	4530	4530	4530	4530	4530	4530	4530
Invent. - Oil													
Prepaid Pro. Taxes	5020	4183	7498	6249	3426	2508	1590	1325	1060	6420	5530	4640	3750
Prepaid Insurance	46595	16525	13442	20359	22676	5601	5218	4835	4452	4069	3686	3303	2920
Other Curr. Assets	5177	4263	4263	4263	4263	4263	4263	4263	4263	4263	4263	4263	4263
Current Assets	394720	313067	274732	353921	459102	450852	428719	402972	412899	405741	367817	395901	422543
Fixed Assets													
Notes Rec.	1857994	1818158	1744724	1724724	1715144	1711948	1711948	1702048	1698725	1698725	1688475	1685039	1685039
Land - Route 9L	2295512	2295512	2295512	2295512	2295512	2295512	2295512	2295512	2295512	2295512	2295512	2295512	2295512
Land - Pilot Knob	63772	63772	63772	63772	63772	63772	63772	63772	63772	63772	63772	63772	63772
Build - Route 9L	1105743	1105743	1105743	1105743	1105743	1105743	1105743	1105743	1105743	1105743	1105743	1105743	1105743
Build - Pilot Knob	399600	399600	399600	399600	399600	399600	399600	399600	399600	399600	399600	399600	399600
Floating Docks	666351	666351	666351	666351	755913	755913	755913	755913	755913	755913	755913	755913	755913
Shop & Machinery	55335	55335	55335	55335	55335	55335	55335	55335	55335	55335	55335	55335	55335
Store & Office	23255	23255	23255	23255	23255	23255	23255	23255	23255	23255	23255	23255	23255
Equipment	3022	3022	3022	3022	15862	15862	15862	15862	15862	15862	15862	15862	15862
Work In Progress	75152	75152	75152	76062	47500	47500	47500	47500	47500	47500	47500	47500	47500
Intangible Assets													
A/ Depreciation	-385520	-398557	-411594	-424631	-374768	-385955	-397142	-408329	-419516	-430703	-441890	-453077	-464264
A/Amortization													
Fixed Assets	6160216	6107343	6023372	5991245	5639232	5624585	5613134	5591783	5577009	5566158	5544457	5530570	5519119
Total Assets	6554936	6420410	6298104	6345166	6098334	6075437	6041853	5994755	5989908	5971899	5912274	5926471	5941662

Harris Bay Yacht Club, Inc. 1987 Budget

Projected Balance Sheet.													
Curr. Liab.	1986	Jan-87	Feb-87	Mar-87	Apr-87	May-87	Jun-87	Jul-87	Aug-87	Sep-87	Oct-87	Nov-87	Dec-87
Accr Payable	73788	34203	19529	52083	15083								
Comm. Pay - AMI		1881	2021	856									
Payroll Tax	1134	1093	490	609									
Withholding	60	145	6	193									
Taxes Payable	4498	5272	5324	650									
Int. Pay. - Key					21771	43654	65535	21712	43422	65130	21535	43068	64599
Int. Pay. - YDA	93216	26829	51638	78225									
Notes Pay - Key					87631	87631	87631	89712	89712	89712	91843	91843	91843
Notes Pay - YDA	101486	2709464	2608658	2608658									
Loans Pay Copier	454	454	368	197									
Loan on Truck					2533	2749	2773	2797	2822	2747	2871	2896	2896
Other Curr Liab													
Down Payment	3000	3000	5040	6100									
Un Rev Stor. In	913	1187	1125	1125	1125	1125	1125	1125	1125	1125	1125	4037	6949
Un Rev Stor. Out	23469	18593	14587	9785	7665	10033	11893	11893	11893	11893	11893	16411	20929
Un Rev Mem Stor	5038	3779	2519	1260								8000	16000
Un Rev Dockage	12620	22661	24413	24413	28661	27327	24468	18351	12234	6117			
Un Rev Members	15029	26096	28316	37755	27154	27154	27154	12913	12913	12913			
Def Rev. Building	56172	23772	23772	23772	23772	23772							
Current Liab.	390877	2878429	2787806	2845681	215395	223445	220579	158503	174121	189637	129267	166255	203216
Long Term Liab.													
Notes Pay - Key					2662369	2662369	2662369	2639146	2639146	2639146	2615369	2615369	2615369
Notes Pay - YDA	2634716												
Loan on Truck					10307	9875	9633	9389	9142	8993	8643	8390	8160
Long Term Liab.	2634716				2672676	2672244	2672002	2648535	2648288	2648139	26224012	2623759	2623529
Liabilities	3025593	2878429	2787806	2845681	2888071	2895689	2892581	2807038	2822409	2837776	2753279	2790014	2826745
Capital													
Membership	4092115	4092115	4092115	4116115	4122215	4122215	4122215	4122215	4122215	4122215	4122215	4122215	4122215
Retained Earnings	-562772	-562772	-562772	-562772	-562772	-562772	-562772	-562772	-562772	-562772	-562772	-562772	-562772
Yr. to date Income		12638	-19045	-53858	-349180	-379695	-410171	-371726	-391944	-425320	-400448	-422986	-444526
Capital	3529343	3541981	3510298	3499485	3210263	3179740	3149272	3187717	3167499	3134123	3158995	3136457	3114917
Lab & Capital	6554936	6420410	6298104	6345166	6098334	6075437	6041853	5994755	5909908	5971899	5912274	5926471	5941662

Date 9/1/87

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Harris Bay Yacht Club, Inc. 1987 Budget

Budgeted Statement of Income												Year	
Gross Sales:	Jan-87	Feb-87	Mar-87	Apr-87	May-87	Jun-87	Jul-87	Aug-87	Sep-87	Oct-87	Nov-87	Dec-87	1987
Stor-In													
Stor-Out	5152	4134	4802	4802							1738	1738	3476
Mem. Stor	1260	1260	1260	1260							5232	5232	29354
Dockage		-1876									4000	4000	13040
Bl. Handling	190				6118	6118	6117	6117	6117	6117	6117	6117	34828
Mem. Bl. Handling				50	500	800	150	600	1400	150	400		4190
Groceries Taxable	946			50	50	100	100	100	50	50			500
Groceries Non-Tax	-54			100	2520	2200	2800	2800	600	750	750	750	13466
General Merch.				75	1456	1870	3520	3300	680	700	700	700	12247
Gen. Merch. Non	73			200	1550	1400	1600	1650	100	700	70	70	7270
Misc. Revenues				10	40	15	40	30	15	25	25	25	273
Gas				10	40	15	40	30	15	25	25	25	200
Oil				480	12400	16700	27600	31700	11700	6000			106580
Pump Out				75	100	100	175	175	100	75			800
Rental Buildings	920	920		125	250	750	1500	1500	750	250			5000
Interest Income					125	125	125	125	125	125	125	125	2040
Int. Member Loans	17666	21168	20956	20806	20806	20807	20619	20619	20619	20480	20480	20480	8000
Finance Charges	2	70	70	75	75	75	75	75	75	75	75	75	245506
Member Dues	47750	400	17	50000									747
Member Misc.													216900
Miscellaneous	232	140	333	100	100	100	100	100	100	100	100	100	17
Gross Sales	74137	26146	27438	78168	47130	52175	124936	69921	43446	95997	34720	32625	1605
Cost of Goods Sold													706839
Groceries Taxable				70	1764	1540	1960	1960	420	525	525		8764
Groceries Non-Tax		14		53	1019	1309	2464	2310	476	490	490		8625
General Merch.			1253	120	930	840	960	990	60	420	42		5615
Gen. Merch. Non				6	24	9	24	18	9	15	15		120
Gas				336	8680	11690	19320	22190	8190	4200			74606
Oil				53	70	70	123	123	70	53			560
Total CGS	0	14	1253	637	12487	15458	24851	27591	9225	5703	1072	0	98290
Gross Profit	74137	26132	26185	77531	34643	36717	100086	42331	34221	90295	33648	32625	608549

Date 6/1/87

Harris Bay Yacht Club, Inc. 1987 Budget

	Budgeted Statement of Income												1987
	Jan-87	Feb-87	Mar-87	Apr-87	May-87	Jun-87	Jul-87	Aug-87	Sep-87	Oct-87	Nov-87	Dec-87	
Payroll	1175	1097	1152	1172	1119	1172	1225	1119	1172	1172	1119	1225	13919
Office													
Stores	574		574	880	1120	1496	1564	1428	1188	880	880	200	10210
Gas Dock					168	1540	1610	1470	308	56			5152
Operation			108	263	228	346	361	331	258	186	120	24	2225
Launch			308	5004	2904	564							8780
Haul Out													7856
Security				1408	1140	2112	2208	2016	2112		2084		10996
Buildings				282	269	702	1472	1344	563	282	403	442	6966
Land						1126	442	403	563		403	442	3379
Equipment	171	1393	431				442	403	282		403	442	3967
Docks	1272	171	725	1126	1075	1126	588	538	282		403	146	7452
Waste Removal												589	589
Snow Removal	4857	-198	37		480	704	736	672	704			812	5508
All Other		677	663										4636
H & W Ins.													0
Disab. Ins.													0
Work Comp.	250	250	250	250	250	250	250	250	250	250	250	250	3000
FICA	63		59	59	315	418	437	399	308	218	135	14	2637
FUI	7		7	35	30	47	49	45	34	24	15	2	295
SUI	56		53	266	229	353	370	337	260	184	114	12	2234
Payroll	7851	4182	4782	11001	9283	11956	11754	10755	9410	7898	6329	4600	99801
Office													
Supplies	108		401	350	350	350	350	350	350	350	350	350	3659
Computer	430		112	100	100	100	100	100	100	100	100	100	1442
Postage	200	262	275	200	200	270	200	200	270	200	200	270	2747
Delivery Service		30											30
Equipment		415											415
Telephone		215		610	350	250	250	250	250	300	250	250	3225
Misc.	74		13	25	25	25	25	25	25	25	25	25	312
Office	274	1460	1411	1025	925	995	925	925	995	975	925	995	11830
Professional													
Accounting				200	5500	100	1100	1100	1100	1100	1100	100	5500
Legal				200	100	100	1100	1100	1100	1100	1100	100	6000
Professional	0	0	0	200	5600	100	1100	1100	1100	1100	1100	100	11500

Date 2/1/87

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Harris Bay Yacht Club, Inc. 1987 Budget

Budgeted Statement of Income													
	Jan-87	Feb-87	Mar-87	Apr-87	May-87	Jun-87	Jul-87	Aug-87	Sep-87	Oct-87	Nov-87	Dec-87	1987
Administration	12	5	2833	2833	15	15	15	15	15	15	15	15	152
Bank Charges	6761	2833	2833	2833	4833	2833	2833	2833	2833	2833	2833	2833	39924
Insurance	5625	5625	5625	6425	6425	6425	7000	7000	7000	7000	7000	7000	78150
Manage. Fee	112	158	202	25	25	25	25	25	25	25	25	25	697
Misc.	12510	8621	8660	9298	11298	9298	9873	9873	9873	9873	9873	9873	118923
Administration	12510	8621	8660	9298	11298	9298	9873	9873	9873	9873	9873	9873	118923
Store			81	25	25	25	25	25	25	25	25	25	306
Sales & Market													
Commission													
Classified													
Contribution													
Miscellaneous													
Sales/Market	0	167	0	0	0	0	0	0	0	0	0	0	167
Operations													
Vehicles	140	36	401	450	450	450	450	450	450	450	450	450	4627
Heat		936			140				400	360			1836
Utilities		1085	1050	470	310	560	810	2270	2770	30	2180		11535
Supplies	18	67	7	1400	1100	1100	800	1200	1000	800	600		8692
Commissioning				7500									7500
Decommissioning													7500
Miscellaneous		50	190	75	75	75	75	75	75	7500	75	75	7500
Operations	158	2174	1648	9895	2075	2185	2135	3995	4695	9215	3305	1125	42605
Maintenance													
Building		339	95	1700	150	1634	150	500	150	150	150	150	5168
Docks				1984	750	500	750	500	500	500			5484
Land						1300	300		1000	500			2600
Vehicle.		413	288	300	300	300	400	100	700	700	300	300	2501
Waste Removal	1	801		100	300	400	400	700	700	300	300	300	4302
Supplies	2	30		100	100	1000	150	500	500	50	25	25	2482
Miscellaneous		30		100	100	100	100	100	100	100	100	100	930
Maintenance	3	1613	383	4284	1400	5234	2250	2300	3050	1800	575	575	23467

Date 2/1/87

Harris Bay Yacht Club, Inc. 1987 Budget

Budgeted Statement of Income												Year	
	Jan-87	Feb-87	Mar-87	Apr-87	May-87	Jun-87	Jul-87	Aug-87	Sep-87	Oct-87	Nov-87	Dec-87	1987
Taxes													
Real Estate	837	1671	1249	921	918	918	265	265	2140	890	890	890	11854
NYS Franch.			3000			3000			3000			3000	12000
Taxes	837	1671	4249	921	918	3918	265	265	5140	890	890	3890	23854
Other													
Depreciation	13037	13037	13037	11187	11187	11107	11107	11107	11107	11107	11107	11107	139794
Amortization				264	264	264	264	264	264	264	264	264	2376
Interest	26829	24870	26639	21771	21883	21081	21712	21710	21708	21535	21533	21531	273602
Equip. Rental		20	109	660	300	150	150	150	150	660	180		2529
Other	39866	37927	39785	33882	33634	33482	33313	33311	33309	33646	33164	32982	418301
Total Expenses	61499	57815	60999	70531	65158	67193	61640	62549	67597	65422	56186	54165	750754
Loss on Sale of PK				-302322									-302322
Net Income	12638	-31683	-34814	-295322	-30515	-30476	38446	-20219	-33376	24873	-22538	-21540	-444527

Date 8/11/87

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Harris Bay Yacht Club, Inc. 1987 Budget

	Jan-87	Feb-87	Mar-87	Apr-87	May-87	Jun-87	Jul-87	Aug-87	Sep-87	Oct-87	Nov-87	Dec-87
Projected Cash Flow												
Receipts:												
Oper Revenue												
Accl. Rec.				42266	75420	34269	91025	47645	15710	57799	28670	26575
Notes Rec.				9580	3196		9900	3323		10250	3436	
Int. Rec. Mem.				47150	.15716		46800	15619		46500	15456	
Int. Rec. Misc.					1000		1000	1000		1000	1000	
Mem. Sold (Net)									1000		1000	1000
Borrowed Funds				2762840								
Sale of Property				100000								
Other Items				16290	14692							
Disbursements				2978126	110024	35269	148725	67587	16710	115549	48562	27575
Oper Expenses				33942	38310	42318	49980	53631	35440	34166	20301	14210
Accl. Payable				37000	15083							
Payroll Tax				609								
Taxes Payable				650		3000			3000			3000
Prepaid Pro. Tax				-1902					7500			
Prepaid Ins.				5400	2700	2700	2700	2700	2700	2700	2700	2700
Int. Payable YDA				78225								
Int. Payable Key							65535					
Notes Pay. YDA				2608658						65130		
Notes Pay. Key							21142			21646		
Loans Pay. Truck					216		220	222	224	226	228	230
Capital Items				26340					600			
Closing Cost				45000								
Other Items				1246		23772						
Disbursements				2835168	56309	72008	139577	56553	49464	123868	24229	20140
Net Cash Flow				142958	53715	-36739	9149	11035	-32754	-8319	24333	7435
Req. Balance				110471	253429	307144	270405	279553	290508	257034	249515	273048
Ending Balance				253429	307144	270405	279553	290588	257834	249515	273848	281283

Date 2/1/87

W

Harris Bay Yacht Club, Inc
Notes to 1987 Budget

4000 - Storage - Inside

1986 shows a Debit Balance of \$2,729 due to credits given to boat owners because of building collapse. 1987 budget off-lake storage of 2,619 square feet at \$3.90 @ square foot. 1987/88 rates includes a 5% increase. (Refer to attached Projected Statement of Revenue, Unearned Revenue.)

4010 - Storage - Outside

Includes the following:

Off-lake storage of 6,965 square feet @ \$2.80 = \$19,500

Outside storage on 1987/88 Annual Contracts

(20 Contracts at an average Storage of \$600)

Total Storage - Outside \$31,500

1987/88 rates includes a 5% increase. (Refer to attached Projected Statement of Revenue, Unearned Revenue.)

4050 - Member Storage

Based on 16,000 square feet at \$1.50 per square foot. Increase rate per foot by 20% (\$.25). (Refer to attached Projected Statement of Revenue, Unearned Revenue.)

4100 - Dockage - Wet

Based on 21 Annual Contracts at a rate of \$62.00 per foot average revenue \$1,748 per boat amounts to \$36,704 (Refer to attached Projected Statement of Revenue, Unearned Revenue.)

4200 - Boat Handling

Based on 1986 actual of \$3,933 rounded to \$4,000.

4210 - Member Boat Handling

Projected amount of \$500.

4300 - Store Groceries

Based on 1986 actual of \$11,813 with a 6% increase.

4301 - Store Groceries Non-Taxable

Based on 1986 actual of \$11,510 with a 7% increase.

4302 - Store General Merchandise

Based on 1986 actual of \$6,664 with a 9% increase.

Dated June 1, 1987

Harris Bay Yacht Club, Jr.
Notes to 1987 Budget

4303 - Store General Merchandise Non-Taxable

Based on 1986 actual of \$151 with a 32% increase.

4399 - Store Miscellaneous Revenue

Based on 1986 actual of \$151 with a 32% increase.

4400 - Gas

Based on 1986 actual of \$98,731 with a 8% increase.

4420 - Oil

Based on 1986 actual of \$739 with a 8% increase.

4449 - Pump Out

Based on 1986 actual of \$4,633 with a 8% increase.

4550 - Rental Income Building

Based on rental of C Dock transformer building to Mike White and rental of Pilot Knob for the first three months for \$920 per month.

4600 - Interest Income

Will invest excess cash. (no projection has been made)

4610 - Interest on Member Loans

Based on member loans outstanding as of March 25, 1987.

4630 - Finance Charges

Based on 1986 actual of \$1,076.

4675 - Member Dues

Based on following:

	<u>1st Qtr.</u>	<u>2nd Qtr.</u>	<u>3rd Qtr.</u>	<u>4th Qtr.</u>
Number of Members	249	250	250	250
Maintenance Fee	\$200	\$200	\$237	\$237
Amount Per Qtr.	\$49,800	\$50,000	\$59,250	\$59,250

5300 - Store Groceries Cost of Goods Sold

Based on 70% of Account 4300 Store - Groceries.

5301 - Store Groceries Non-Taxable Cost of Goods Sold

Based on 70% of Account 4302 Store - Groceries Non-Taxable.

Dated June 1, 1987

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Harris Bay Yacht Club, Inc
Notes to 1987 Budget

5302 - Store General Merchandise Cost of Goods Sold

Based on 60% of Account 4302 Store - General Merchandise.

5303 - Store General Merchandise Non-Tax Cost of Goods Sold

Based on 60% of Account 4303 Store - General Merchandise Non-Tax.

5400 - Gas Cost of Goods Sold

Based on 70% of Account 4400 Gas.

5420 - Oil Cost of Goods Sold

Based on 70% of Account 4420 Gas.

6005 - Payroll Office

Includes Office Manager 3/5 of time for the first three months of 1987 (Annual salary of \$18,000 plus health & welfare and payroll taxes) Beginning April 1, 1987 billed for one Office Clerk (Annual salary \$10,000 plus health & welfare and payroll taxes). Refer to Itemized Payroll Budget.

6015 - Payroll Store

Includes two store clerks, One at \$5.00 per hour and the other at \$3.50 per hour. First Clerk to begin work 2nd week of March thru first week of December. Second Clerk to begin work 3rd week of May thru 2nd week of September. Refer to Itemized Payroll Budget.

6016 - Payroll Gas Dock

Includes three gas dock attendants a \$3.50 per hour. Two beginning second last day of May thru labor day weekend. (Third will work part time, on weekends until 2nd weekend of October. Refer to Itemized Payroll Budget.

6040 - Payroll Operations

Includes 5% for overtime for employees on HBYC payroll. (Refer to Itemized Payroll Budget.)

6045- Payroll Launch

Includes the following:

- 3 Laborers at \$4.00 per hour for 800 hours
- 1 Yard Manager at \$8.75 per hour for 230 hours
- 1 Crew Chief at \$7.25 per hour for 230 hours

Refer to Itemized Payroll Budget.

Dated June 1, 1987

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Harris Bay Yacht Club, Inc
Notes to 1987 Budget

6046 - Payroll Haul Out

Includes the following:

- 3 Laborers at \$4.00 per hour for 780 hours
- 1 Yard Manager at \$8.75 per hour for 296 hours
- 1 Crew Chief at \$7.25 per hour for 296 hours

Refer to Itemized Payroll Budget.

6055 - Payroll Building

Includes the following:

- 1 Yard Manager at \$8.75 per hour for 391 hours
- 1 Crew Chief at \$7.25 per hour for 391 hours

In addition it includes J. Baker and G. Murray for one week of work to oversee building erection. Refer to Itemized Payroll Budget.

6056 - Payroll Land

Includes the following:

- 1 Yard Manager at \$8.75 per hour for 211 hours
- 1 Crew Chief at \$7.25 per hour for 211 hours

Refer to Itemized Payroll Budget.

6057 - Payroll Equipment

Includes the following:

- 1 Yard Manager at \$8.75 per hour for 251 hours
- 1 Crew Chief at \$7.25 per hour for 251 hours

Refer to Itemized Payroll Budget.

6070 - Payroll Waste Removal

Includes the following:

- 1 Yard Manager at \$8.75 per hour for 37 hours
- 1 Crew Chief at \$7.25 per hour for 37 hours

Refer to Itemized Payroll Budget.

6071 - Payroll Snow Removal

Includes the following:

- 1 Yard Manager at \$8.75 per hour for 168 hours
- 1 Crew Chief at \$7.25 per hour for 168 hours

Refer to Itemized Payroll Budget.

Dated June 1, 1987

Harris Bay Yacht Club, Inc.
Notes to 1987 Budget

6079 - Payroll All Other

Includes the following:

1 Yard Manager at \$8.75 per hour for 70 hours

1 Crew Chief at \$7.25 per hour for 70 hours

Refer to Itemized Payroll Budget.

6082 - Workmen Compensation

Project an insurance premium of \$3,000 a year.

6090 - Payroll Tax - FICA

Based on a rate of 7.15% for gross payroll of Harris Bay Yacht Club employees.

6091 - Payroll Tax - FUI

HBYC employees based on gross payroll up to \$7,000 at rate of .8%.

6092 - Payroll Tax - SUI

HBYC employees based on gross payroll up to \$7,000 at rate of 6.04%.

6100 - Supplies - Office

Includes club stationery, printing costs, and any other items necessary to run the Club office. 1986 figure included postage. In 1987 there is a separate account for postage.

6105 - Supplies - Computer

Includes paper, ribbons for printer, and any other items necessary to run the HBYC computer. No increase over 1986.

6110 - Postage

Postage needed to send out newsletters and other mailings to members. Have increased 1987 amount to reflect Boards instructions to send members more information.

6115 - Equipment - Office

Includes purchase of two chairs for office at HBYC.

6125 - Telephone

Budgeted telephone expense based on past usage.

Dated June 1, 1987

Harris Bay Yacht Club, Inc
Notes to 1987 Budget

6149 - Miscellaneous Office

Included miscellaneous office expenses which are not included in other office accounts.

6150 - Accounting

The budgeted amount will be used for Accounting Services in connection with the preparation of the Club's audited financial statements, Federal and New York State income tax returns.

6155 - Legal

The budgeted amount will be used for legal services.

6165 - Bank Charges

Budgeted bank charges based on past experience.

6180 - Insurance

The budgeted sum to obtain the following coverage:

- a.) "All Risk" policy
- b.) "Comprehensive general liability"
- c.) Fidelity bond
- d.) Workers Compensation to meet requirements of law.
- e.) Directors and Officers liability insurance.
- f.) Catastrophic Umbrella Liability

6195 - Management Fee

Budgeted 1st quarter 1987 to be \$5,625 a month. 2nd quarter 1987 to be \$6,425 (includes running ship store). 3rd and 4th quarter to be \$7,000 a month (Amount under proposed three year contract).

6199 - Miscellaneous Administration

Includes miscellaneous administration expenses which are not included in other administration accounts.

6400 - Sales Commission

Includes 4% commission to AMI for sales of HBYC memberships.

Dated June 1, 1987

Harris Bay Yacht Club, In
Notes to 1987 Budget

7000 - Vehicles

Budgeted amount to operate all vehicles for year.

7100 - Heat

Budgeted amount to heat office at HBYC plus fuel to heat hot water in summer.

7150 - Utilities

Budgeted amount for electric for building and docks.

7250 - Supplies

Budgeted amount for supplies to operate the club. (cleaning material, soap, toilet paper, etc.)

7350 - Commissioning Boats

Budgeted amount for mechanical services by Mike's Marine Service to commission boats.

7400 - Decommissioning Boats

Budgeted amount for mechanical services to decommission boats.

7700 - Building Maintenance

Budgeted amount for material and other items to maintain all buildings. Including the following items:

Water and sewage pumps	\$ 900
Ship store ceiling fans	150
Vent for septic system	200
Spot light storage building	300
Ship store floor	300
All other material & other items	<u>3,318</u>

7750 - Dock Maintenance

Budgeted amount for material to maintain docks.

Dated June 1, 1987

Harris Bay Yacht Club, Inc
Notes to 1987 Budget

7800 - Land

Budgeted amount for following:

Parking lot fill	\$ 600
Fence (south side storage area)	1,000
Landscaping	<u>1,000</u>
Total	<u>\$2,600</u>

7900 - Vehicle

Budgeted amount for material and service to maintain all vehicles.

8000 - Waste Removal

Budgeted amount for trash removal by Morey Trucking Services.

8020 - Supplies

Budgeted amount for materials and tools to maintain the property.

8099 - Miscellaneous

Includes miscellaneous maintenance expenses which are not included in other maintenance accounts.

8500 - Real Estate Taxes

Budgeted amount for property taxes. Based on actual figures for county taxes. School tax budgeted to be \$7,500. All amount are budgeted with the sale of Pilot Knob considered.

8652 - NY State Franchise Tax

Budgeted amount is based on the 1986 NYS franchise tax return filed by the Club in March 1987 prepared by Clubs' tax accountant.

9000 - Depreciation

Budgeted amount is based on the schedules prepared by the clubs' accountant for depreciation of building and equipment.

9100 - Amortization

Budgeted amount is based on schedules prepared by Clubs' accountant to amortize cost of refinancing Mortgage.

Dated June 1, 1987

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Harris Bay Yacht Club, Inc.
Notes to 1987 Budget

9200 - Interest

Interest is based on following:

Sponsor	12% 1st Qtr	\$ 78,225
Key Bank	9.5% Last 3 Qtrs.	<u>194,418</u>
Total Interest		<u>\$ 272,643</u>

9450 - Equipment Rental

Budgeted amount to rent a work boat for launch, haul out and installing F Dock. (daily rental rate is \$30 a day.)

Additional Information:

A.) Capital Improvement items are as following:

1987 Fork 3/4 ton HD 4x4 pickup truck	\$ 12,840
1987 Track snow blower	1,000
Brownell sail boat stands 3 sets	600
Utilities for F Dock	7,500
Pile anchoring system for F Dock	<u>6,000</u>
Total Capital Improvements	<u>\$ 27,940</u>

B.) Closing on sale of Pilot Knob property to take place in April 1987.

Account 1801 - Land	\$ 63,772
Account 1821 - Buildings	<u>399,600</u>
Total allocated cost	\$ 463,372
Less depreciation	61,050
Less proceeds from sale	<u>100,000</u>
Allocated Loss on Sale	<u>\$ 302,322</u>

C.) Finish construction of F Dock by end of April 1987.

D.) Build new storage building by end of July 1987.

E.) Closing Costs on refinancing mortgage are as follows:

Mortgage tax	\$ 500
Title Insurance	8,250
Bank Attorneys	5,000
Clubs' Attorneys	8,000
Bank Comment Fee	20,625
Sundry Items	<u>2,625</u>
Total Closing Cost	<u>\$ 45,000</u>

Cost to be amortized over the 15 year term of mortgage.

Dated June 1, 1987

Harris Bay Yacht Club, Inc.
Notes to 1987 Budget

- F. The following items are **not** included in budget.
1. Cost of Dredging the marina.
 2. Cost of any new dock other than F Dock.
 3. Sale of Service Docks.
 4. Any additional revenue from sale of additional footage on F Dock.

Dated June 1, 1987

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THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

RESEARCH REPORT

NO. 1000

1954

BY

HARRIS BAY YACHT CLUB, INC.

Notes to Financial Statements

December 31, 1986 and 1985

(1) Summary of Significant Accounting Policies:

Business - The Club, a not-for-profit corporation, owns and operates a marina facility on Lake George, New York, primarily for members.

Revenue Recognition - Membership dues have been deferred with the revenues being amortized over the applicable membership period, and rental and storage fees are recognized as revenue when the services are provided.

Depreciation - The cost of property and equipment is being depreciated over the estimated useful lives of the assets, utilizing the optional straight-line lives under the Accelerated Cost Recovery System established by the Economic Recovery Tax Act of 1981. The same method is used for both financial reporting and income tax purposes.

Income Taxes - Under Section 277 of the Internal Revenue Code, the Club must allocate its revenue and expenses between member and non-member services to determine its Federal income tax liability. Losses from member activities cannot be used to reduce income from non-member activities; however, losses from non-member activities can be used to reduce income from member activities. Investment tax credits are recognized on the "flow-through" method, which recognizes the tax benefit in the period in which the credit is taken.

Members' Equity - Members' equity results from the sale of membership interests under the terms of an offering plan dated August 2, 1983. Membership interests have been sold at various prices ranging from \$8,625 to \$30,000, and are stated net of costs associated with attracting and admitting members.

(2) Notes Receivable:

This represents amounts due from members from the sale of membership interests in the Club, and has been pledged as additional collateral to secure the mortgage on Club property as described in note 3. The notes are payable in sixty quarterly instalments at various amounts, including interest at 14%. At December 31, 1986 and 1985, the total outstanding was as follows:

	<u>1986</u>	<u>1985</u>
Current	\$ 53,956	57,433
Non-current	<u>1,857,994</u>	<u>2,279,783</u>
Total	<u>\$ 1,911,950</u>	<u>2,337,216</u>

HARRIS BAY YACHT CLUB, INC.

Accountants' Report

Financial Statements and Supplementary
Information - December 31, 1986 and 1985

**EDWARDS, WILLIAMS, McMANUS,
RICCIARDELLI AND COFFEY, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

79 GLENWOOD AVENUE, P.O. BOX 599, GLENS FALLS, NY 12801

The Board of Directors
Harris Bay Yacht Club, Inc.:

We have examined the balance sheets of Harris Bay Yacht Club, Inc. as of December 31, 1986 and 1985, and the related statements of revenue and expenses and changes in member equity, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned statements present fairly the financial position of Harris Bay Yacht Club, Inc. at December 31, 1986 and 1985, the results of its operations and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

The supplementary information in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements, and in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

EDWARDS, WILLIAMS, McMANUS,
RICCIARDELLI AND COFFEY, P.C.

March 7, 1987

HARRIS BAY YACHT CLUB, INC.

Balance Sheets

December 31, 1986 and 1985

<u>Assets</u>	<u>1986</u>	<u>1985</u>
Current assets:		
Cash (including Certificates of Deposit of \$52,004 and \$235,000, respectively)	\$ 129,335	244,017
Accounts receivable	49,617	86,406
Interest receivable	84,420	86,388
Notes receivable (note 2)	53,956	57,433
Prepaid expenses	51,615	28,459
Inventory	6,169	-
Total current assets	<u>375,112</u>	<u>502,703</u>
Property and equipment, at cost (note 3):		
Land	2,359,284	2,359,284
Buildings	1,505,344	1,505,344
Docks	666,351	695,500
Equipment	81,611	73,677
Construction in progress	75,152	-
	<u>4,687,742</u>	<u>4,633,805</u>
Less accumulated depreciation	385,520	234,170
Net property and equipment	<u>4,302,222</u>	<u>4,399,635</u>
Other assets:		
Notes receivable (note 2)	1,857,994	2,279,783
Utility deposits	2,798	2,930
Total other assets	<u>1,860,792</u>	<u>2,282,713</u>
	<u>\$ 6,538,126</u>	<u>7,185,051</u>
<u>Liabilities and Members' Equity</u>		
Current liabilities:		
Notes payable	\$ 454	1,199
Current portion of mortgage payable (note 3)	101,486	148,692
Accounts payable	51,530	32,968
Commissions payable	7,848	17,011
Franchise tax payable (note 4)	3,225	6,200
Member sublease payable	3,067	13,671
Mortgage interest payable	93,216	76,242
Deferred revenue	113,241	77,206
Total current liabilities	<u>374,067</u>	<u>373,189</u>
Mortgage payable (note 3)	<u>2,634,716</u>	<u>3,663,398</u>
Members' equity:		
Membership interests	4,092,115	3,554,069
Cumulative excess of expenses over revenues	(562,772)	(405,605)
Total members' equity	<u>3,529,343</u>	<u>3,148,464</u>
Commitments (note 7)		
	<u>\$ 6,538,126</u>	<u>7,185,051</u>

The accompanying accountants' report and notes should be read in conjunction with these financial statements.

HARRIS BAY YACHT CLUB, INC.

Statements of Revenue and Expenses
and Changes in Member Equity

Years ended December 31, 1986 and 1985

	<u>1986</u>	<u>1985</u>
Operating revenues:		
Membership dues	\$ 159,225	102,800
Store and gas	134,392	-
Dock rentals	60,928	57,700
Storage fees	22,921	39,041
Other rental fees	13,540	27,433
Interest on member loans	285,525	262,737
Other	<u>5,168</u>	<u>6,198</u>
Total operating revenues	<u>681,699</u>	<u>495,909</u>
Nonoperating revenues:		
Gain on involuntary conversion (note 5)	29,696	-
Partial forgiveness of debt (note 6)	52,500	-
Interest on Certificates of Deposit	<u>13,530</u>	<u>8,529</u>
Total nonoperating revenues	<u>95,726</u>	<u>8,529</u>
Total revenues	<u>777,425</u>	<u>504,438</u>
Expenses:		
Advertising	781	9,877
Bad debts	-	1,083
Depreciation	155,840	156,166
Heat and utilities	12,849	11,089
Insurance	65,651	30,560
Interest	342,025	313,912
Maintenance	55,994	59,480
Management fee	71,500	67,500
New York State Franchise tax (note 4)	11,967	6,638
Office supplies and expenses	14,362	15,705
Professional services	5,798	9,392
Real estate taxes	15,499	10,376
Rent	23,312	-
Salaries and benefits	71,954	62,090
Store and gas	<u>87,060</u>	<u>-</u>
Total expenses	<u>934,592</u>	<u>753,868</u>
Excess of expenses over revenues	(157,167)	(249,430)
Members' equity at beginning of year	<u>3,148,464</u>	<u>2,147,360</u>
Additions to membership interest	2,991,297	1,897,930
	<u>538,046</u>	<u>1,250,534</u>
Members' equity at end of year	\$ <u>3,529,343</u>	<u>3,148,464</u>

The accompanying accountants' report and notes should be read in conjunction with these financial statements.

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HARRIS BAY YACHT CLUB, INC.

Statements of Changes in Financial Position

Years ended December 31, 1986 and 1985

	<u>1986</u>	<u>1985</u>
Funds provided:		
Decrease in notes receivable	\$ 421,789	-
Decrease in utility deposits	132	-
Proceeds on insurance reimbursement	61,136	-
Sale of membership interests	568,050	1,317,831
Decrease in working capital	<u>128,469</u>	<u>-</u>
	\$ <u>1,179,576</u>	<u>1,317,831</u>
Funds used:		
Excess of expenses over revenues	157,167	249,430
Items not involving funds:		
Depreciation	(155,840)	(156,166)
Gain on involuntary conversion	29,696	-
Gain on forgiveness of debt	<u>52,500</u>	<u>-</u>
Funds used in operations	83,523	93,264
Purchase of property and equipment	89,867	1,577
Expenses attributable to sale of memberships	30,004	67,298
Increase in notes receivable	-	782,574
Decrease in mortgage payable	976,182	148,692
Increase in working capital	<u>-</u>	<u>224,426</u>
	\$ <u>1,179,576</u>	<u>1,317,831</u>
Changes in components of working capital:		
Increase (decrease) in current assets:		
Cash	(114,682)	188,465
Accounts receivable	(36,789)	28,383
Interest receivable	(1,968)	29,920
Notes receivable	(3,477)	25,475
Inventory	6,169	-
Prepaid expenses	<u>23,156</u>	<u>19,311</u>
	<u>(127,591)</u>	<u>291,554</u>
Increase (decrease) in current liabilities:		
Note payable	(745)	1,199
Current portion of mortgage payable	(47,206)	(37,910)
Accounts payable	18,562	24,313
Commissions payable	(9,163)	17,011
Franchise tax payable	(2,975)	(4,458)
Member sublease payable	(10,604)	13,671
Mortgage interest payable	16,974	(3,758)
Deferred revenue	<u>36,035</u>	<u>57,060</u>
	<u>878</u>	<u>67,128</u>
(Decrease) increase in working capital	\$ <u>(128,469)</u>	<u>224,426</u>

The accompanying accountants' report and notes should be read in conjunction with these financial statements.

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HARRIS BAY YACHT CLUB, INC.

Notes to Financial Statements

December 31, 1986 and 1985

(1) Summary of Significant Accounting Policies:

Business - The Club, a not-for-profit corporation, owns and operates a marina facility on Lake George, New York, primarily for members.

Revenue Recognition - Membership dues have been deferred with the revenues being amortized over the applicable membership period, and rental and storage fees are recognized as revenue when the services are provided.

Depreciation - The cost of property and equipment is being depreciated over the estimated useful lives of the assets, utilizing the optional straight-line lives under the Accelerated Cost Recovery System established by the Economic Recovery Tax Act of 1981. The same method is used for both financial reporting and income tax purposes.

Income Taxes - Under Section 277 of the Internal Revenue Code, the Club must allocate its revenue and expenses between member and non-member services to determine its Federal income tax liability. Losses from member activities cannot be used to reduce income from non-member activities; however, losses from non-member activities can be used to reduce income from member activities. Investment tax credits are recognized on the "flow-through" method, which recognizes the tax benefit in the period in which the credit is taken.

Members' Equity - Members' equity results from the sale of membership interests under the terms of an offering plan dated August 2, 1983. Membership interests have been sold at various prices ranging from \$8,625 to \$30,000, and are stated net of costs associated with attracting and admitting members.

(2) Notes Receivable:

This represents amounts due from members from the sale of membership interests in the Club, and has been pledged as additional collateral to secure the mortgage on Club property as described in note 3. The notes are payable in sixty quarterly instalments at various amounts, including interest at 14%. At December 31, 1986 and 1985, the total outstanding was as follows:

	<u>1986</u>	<u>1985</u>
Current	\$ 53,956	57,433
Non-current	<u>1,857,994</u>	<u>2,279,783</u>
Total	<u>\$ 1,911,950</u>	<u>2,337,216</u>

HARRIS BAY YACHT CLUB, INC.

Notes to Financial Statements, Continued

(3) Mortgage Payable:

This represents a mortgage payable to Yardarm Development Associates for the purchase of and secured by marina property and equipment located on Route 9L in Lake George, New York, and in Pilot Knob, New York, with payment terms as follows:

- (a) Quarterly payments of \$106,344 from October 2, 1986 through April 2, 1991 representing principal and interest at 12%;
- (b) One payment of principal and interest of \$150,000 is due upon the closing of 266 memberships under The Plan;
- (c) The final principal balance with all accrued interest shall be due July 2, 1991.

Principal payments made under the terms listed in (b) above would result in decreased monthly payments to reflect the reduction in interest expense from the time of payment. Based upon this assumption, the maturity of the mortgage payable for the next five years is as follows:

1987	\$ 101,486
1988	114,223
1989	128,559
1990	144,695
1991	2,247,239

(4) Income Taxes:

The New York State Franchise tax payable has been calculated on the capital method, resulting in a tax due of \$11,967 and \$6,638 for the years ended December 31, 1986 and 1985. There is no liability for Federal income taxes due to net operating losses from both member and non-member services. These net operating losses are available to be carried over to offset taxable income in future years. The amount of carryover attributable to member and non-member services is \$491,599 and \$71,173, respectively. In addition, unused investment tax credits totalling \$11,629 are also available to reduce the Federal income tax liability of future periods.

(5) Involuntary Conversion:

During 1986, the Club suffered property damage to fourteen of its docks. The loss was insured, and as a result of the insurance settlement, the Club realized a gain of \$29,696. The insurance proceeds received from the settlement for the loss are being used to replace the docks.

(6) Partial Forgiveness of Debt:

During 1986, Yardarm Development Associates forgave a portion of the mortgage payable from the Club. The details of this payable are further discussed in note 3 of these financial statements. The transaction resulted in additional income of \$52,500.

HARRIS BAY YACHT CLUB, INC.

Notes to Financial Statements, Continued

(7) Commitments:

The Club has entered into various agreements as follows:

Management Agreement - The Club has entered into a management agreement with American Marinas, Inc. (AMI) for the management of the marina property. The agreement is effective from July 2, 1984 to July 2, 1987 and provides for an annual payment to AMI of \$71,500 and \$67,500 in 1985 and 1986, and a fee of \$250 for each sale, assignment, or transfer of a membership.

Selling Agency Agreement - The Club has entered into an agreement with AMI to act as exclusive selling agent for the sale or lease of any unsold memberships. The agreement is effective from July 2, 1984 to July 2, 1987 and provides for payments to AMI of 4% of the sales price of any membership sold, payable by the Club, and 6% of any memberships leased, payable by the lessee.

HARRIS BAY YACHT CLUB, INC.

Schedules of Expenses for Member and
Non-Member Services

Years ended December 31, 1986 and 1985

	1986			1985
	Member Services	Non-Member Services	Total	Total
Advertising	\$ 723	58	781	9,877
Bad debts	-	-	-	1,083
Depreciation	144,214	11,626	155,840	156,166
Heat and utilities	11,890	959	12,849	11,089
Insurance	60,754	4,897	65,651	30,560
Interest	316,510	25,515	342,025	313,912
Maintenance	51,817	4,177	55,994	59,480
Management fee	66,166	5,334	71,500	67,500
New York State Franchise tax	11,967	-	11,967	6,638
Office supplies and expenses	13,291	1,071	14,362	15,705
Professional services	5,798	-	5,798	9,392
Real estate taxes	14,343	1,156	15,499	10,376
Rent	23,312	-	23,312	-
Salaries and benefits	66,586	5,368	71,954	62,090
Store	80,566	6,494	87,060	-
	<u>\$ 867,937</u>	<u>66,655</u>	<u>934,592</u>	<u>753,868</u>

Basis of allocation:

- Legal and accounting fees which are directly attributable to member services have been allocated entirely to member services.
- Bad debts which are directly attributable to non-member services have been allocated entirely to non-member services.
- New York State Franchise tax, which is calculated on the capital method, has been allocated entirely to member services.
- Rent expense which is directly attributable to member services has been allocated entirely to member services.
- The remaining services have been allocated between member and non-member services based upon the total dock length in each category at December 31, 1986 and 1985.

CERTIFICATE OF CHANGE OF
HARRIS BAY YACHT CLUB, INC. UNDER SECTION 803-A
OF THE NOT FOR PROFIT CORPORATION LAW

1. The name of the corporation is Harris Bay Yacht Club, Inc.

2. The date its certificate of incorporation was filed by the Department of State is December 16, 1982.

3. (a) Paragraph NINTH of the Certificate of Incorporation is changed to indicate that the address to which the Secretary of State shall mail a copy of any process against the corporation served upon her is Harris Bay Yacht Club, Inc., P.O. Box 139, Route 9L, Cleverdale, New York 12820.

(b) Paragraph TENTH of the Certificate of Incorporation designating Thomas W. Eagan as the registered agent of the corporation is deleted.

4. The certificate of change was approved by the Board of Directors at its meeting on April 11, 1987.

IN WITNESS WHEREOF, I have made and signed this certificate of change on April 11, 1987, and I affirm the statements contained herein are true under penalty of perjury.

HARRIS BAY YACHT CLUB, INC.

By Joseph A. Ferrante
JOSEPH A. FERRANTE
President

/s/ Haji Tehrani
HAJI TEHRANI, Secretary

PHYSICAL DESCRIPTION OF BUILDING PROPOSED
TO REPLACE THE HBYC COLLAPSED STORAGE BUILDING.

Building: Back Storage

Location: Rt. 9L across the road from Marina

Use: Shop & Boat Storage

Size: 60 x 105 x 15
shop 1200 sq.
storage 5100 sq.
total 6300 sq.

Construction: Stran Steel Rigid Frame Building.
5 Bays at 21-0 feet facing east.
The bay on the north east end will
have a 16 x 13 insulated chain operated
overhead door to the shop.

Roof: Design loads, 50/20 with 26 ga
galualnme 20 year warranty by
Bethlehem Steel.

Siding: Metal Siding

Heating System: None

Electrical Service: 200A 240V Single Phase

Water & Sewer: None

Age: To the erected 7/87.

HARRIS BAY YACHT CLUB, INC.
P.O. Box 139, Route 9L
Cleverdale, New York 12820

Amendment 9

I. The Board of Directors of Harris Bay Yacht Club, Inc. has revised the membership cost and annual maintenance cost for the seven memberships listed below:

<u>Location Dock No.</u>	<u>Membership Cost</u>	<u>Maximum Draft</u>	<u>Max Length Beam</u>	<u>Estimated Annual Maint.</u>
B-03	\$28,000	2.5'	28' x 10'	\$950.00
C-24	26,000	3.5'	26' x 09'	950.00
CX CX-13	30,000	4.5'	30' x 10'	950.00
A-03	39,000	2.5'	36' x 13'	950.00
D-23	28,000	3.5'	26' x 10'	950.00
E-23	28,000	3.5'	26' x 10'	950.00
E-25	28,000	3.5'	26' x 10'	950.00

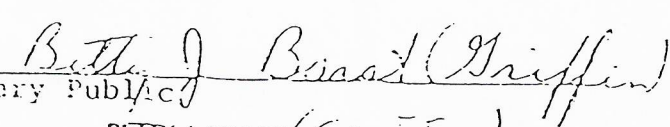
DATED: APRIL 8, 1988

HARRIS BAY YACHT CLUB, INC.

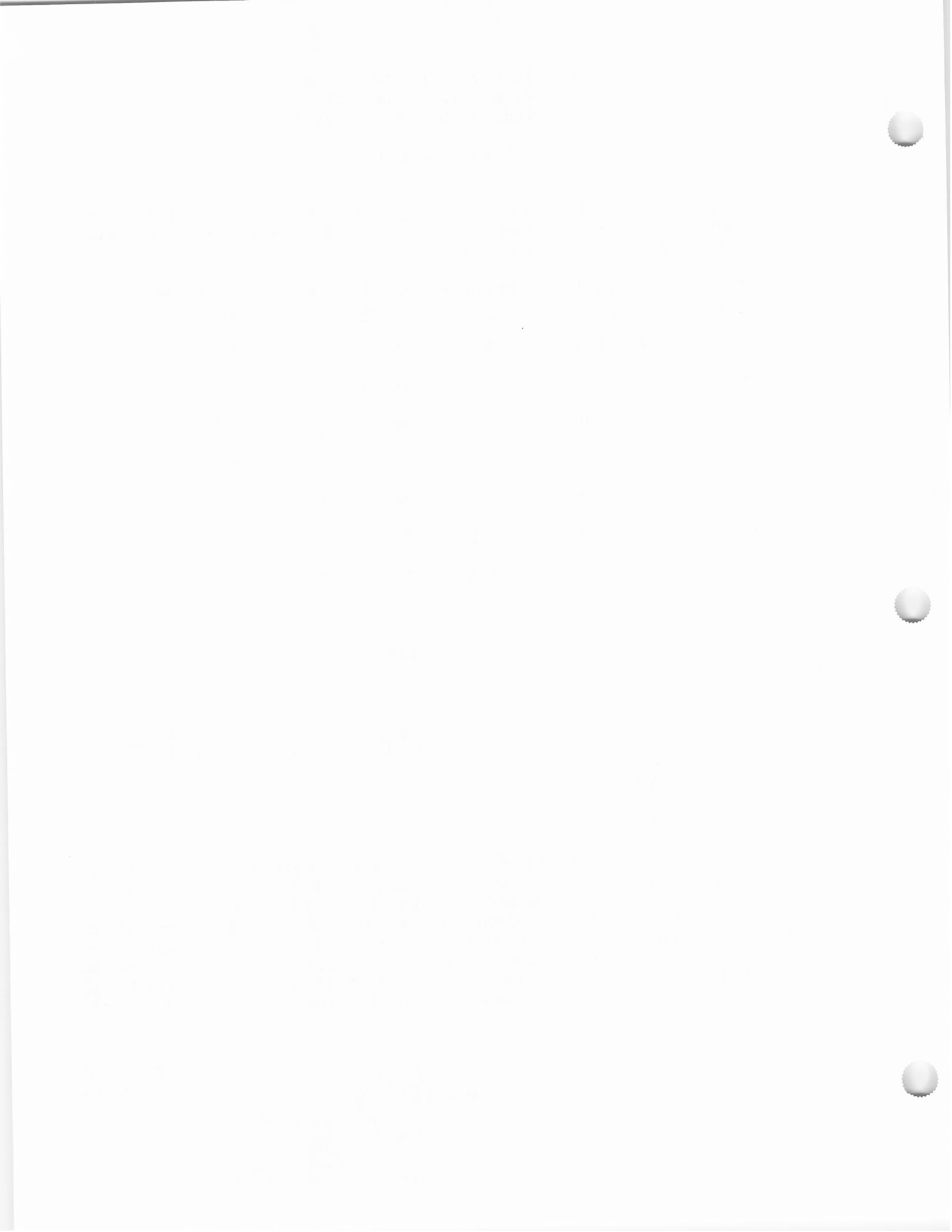
By 
David G. Kling, Commodore

STATE OF NEW YORK)
) ss.:
COUNTY OF ALBANY

On this 8 day of April, 1988, before me personally came David G. Kling, to me personally known, who, being by me duly sworn, did depose and say that he resides in _____ that he is the Commodore of the Corporation described in, and which executed the within instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.


Notary Public
BETTY J. BORST (Gr. F.F.N.)
Notary Public, State of New York
No. 4678647
Qualified in Albany County
Commission Expires March 30, 1991

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HARRIS BAY YACHT CLUB, INC.
YARDARM MARINA
ROUTE 9-L
CLEVERDALE, NEW YORK 12820

AMENDMENT NO. 10

The Offering Plan (the "Plan"), dated August 2, 1983, previously revised by 9 amendments, is hereby revised as follows:

- (1) Quorum Requirement for Annual Membership Meeting pursuant to Article X of Harris Bay Yacht Club's By Laws.

Article X, Section A of the By-Laws appearing at p.95 of Plan is amended to read as follows:

"So many members as shall represent at least 10% of the total number of votes entitled to be cast, present in person or represented by written proxy shall be requisite to and shall constitute a quorum at all meetings of the club for the transaction of business, except as otherwise provided by statute, the certificate of incorporation or these by laws. If however, such quorum shall not be present or represented at any meeting of the club, the members entitled to vote thereat, present in person or represented by written proxy shall have the power to adjourn the meeting until a quorum shall be present or represented, and at such adjourned meeting, any business may be transacted which might have been transacted at the meeting originally called."

- (2) Annual Meetings.

Article X, Section G of the By-Laws appearing at p.96 of the Plan is amended to read as follows:

"The annual meeting of the membership of the Club shall be held on such date as is fixed by the Board. At such meeting, the Board shall report on the operations of the Club and the members may also transact such business as may properly come before the meeting."

1998-1999

1998-1999

1998-1999

1998-1999

1998-1999

1998-1999

1998-1999

1998-1999

1998-1999

1998-1999

1998-1999

1998-1999

1998-1999

1998-1999

1998-1999

1998-1999

1998-1999

1998-1999

(3) Order of Business.

Article X, Section J of the By-Laws appearing on p.97 of the Plan is amended to read as follows:

"The order of business at all meetings shall be as follows:

- (i) Roll call
- (ii) Reading of Minutes of preceding meeting
- (iii) Reading of correspondence
- (iv) Finance and Administration
- (v) Review of Sales and Transfers Committee and Officer Reports
- (vi) Old business
- (vii) New business"

(4) Annual Statement.

Article XI, Section H of the By-Laws appearing on p.101 of the Plan is amended to read as follows:

"The Board shall make available upon request to all members promptly upon its completion the Club's Annual Financial Statement audited by an independent public accountant and the most current balance sheet and profit and loss statement as well as a statement regarding any taxable income attributable to the members of the Club."

(5) Fidelity Bonds.

Article XI, Section I of the By-Laws appearing on p.101 of the Plan pertaining to Fidelity Bonds is amended by deleting it in its entirety and renumbering Section J pertaining to Management Agent as Section I.

(6) Physical Description of Buildings.

The Plan is amended to delete the physical description of the buildings appearing at pp. 134-135.

(7) Physical Description of Gas Docks.

The Plan is amended to change the physical description of the gas dock building appearing at p.136 to read as follows:

Faint paragraph of text.

Faint paragraph of text.

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PHYSICAL DESCRIPTION OF BUILDING

Building: Gas Dock Building

Location: Rt. 9L @ Marina

Use: Dispense Gas and Oil, Pump-out facility

Size: 75 SF
8 feet total height

Construction: Wood frame on Dock C

Roof: Asphalt shingle

Siding: Vinyl

Heating System: None

Electrical Service: 15A 120V Single Phase

Water and Sewer: Dock Water Pump located inside; 1 faucet

Condition: Excellent

Age: Built 1987

(8) Physical Description of Large Storage Building.

The Plan is amended to change the physical description of the large storage building appearing at p.132 to read as follows:

PHYSICAL DESCRIPTION OF BUILDING

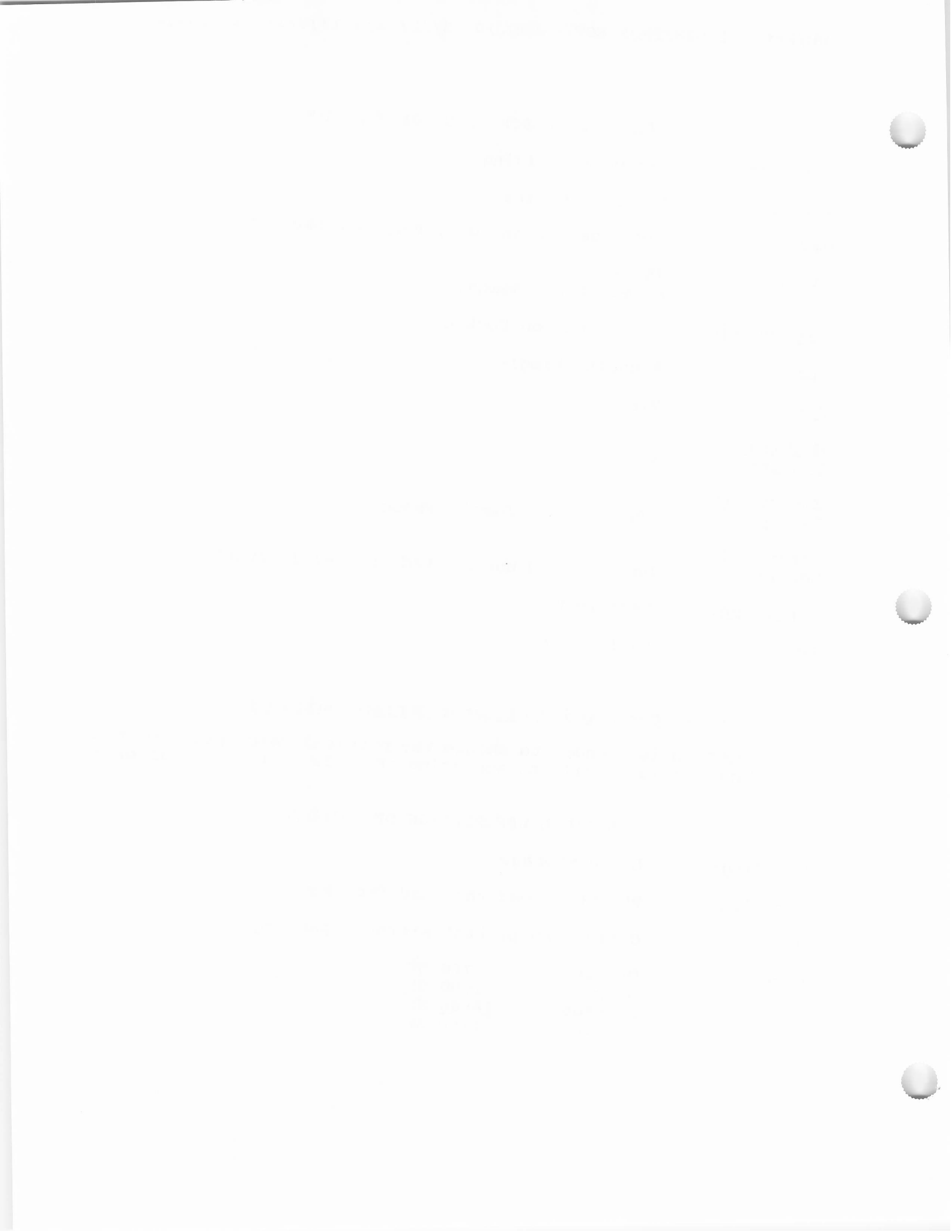
Building: Large Storage

Location: Rt. 9L across the road from Marina

Use: Office, shop, boat storage, parking

Size:

Office	700 SF
Shop	1600 SF
Storage	<u>18800 SF</u>
Total	21100 SF



Construction: Steel frame on concrete piers
(Stran Steel Building)
27 feet total height
18 feet clear height

Roof: Metal

Siding: Metal siding; one side is removable panels

Heating System: Shop has oil hot-air heat

Electrical Service: 200A 240V Single Phase

Water and Sewer: None

Condition: Good

Age: Built 1970

(9) Physical Description of Back Storage Building.

The Plan is amended to change the physical description of the back storage building appearing at p.133 to read as follows:

PHYSICAL DESCRIPTION OF BUILDING

Building: Back Storage

Location: Rt. 9L across the road from Marina

Use: Shop, boat storage

Size:

Shop	1200 SF
Storage	<u>5100</u> SF
Total	6300 SF

Construction: Stran steel construction
concrete floor
25 feet total height
14 feet door height

Roof: Metal

Siding: Metal siding

Heating System: Shop has oil hot-air heat

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Electrical Service: 100A 240V Single Phase

Water and Sewer: None

Condition: Excellent

Age: Built 1987

(10) Survey of Pilot Knob Property.

The Plan is amended to delete the survey of the pilot knob property appearing at p.139.

(11) Marina Equipment Capacity.

Section D of Amendment No. 2 to the Plan is amended to read as follows:

<u>Type</u>	<u>Maximum Length and Beam</u>		<u>Maximum Weight</u>
Sail	34'	12'	13,000 lbs.
Power	42'	14'	14,000 lbs.
Power	40'	14'	16,000 lbs.
Power	38'	14'	18,000 lbs.
Power	36'	14'	20,000 lbs.

(12) Easement.

Section VI of Amendment No. 4 to the Plan is amended to read as follows:

"New York State Office of General Services granted a twenty five (25) year easement to the sponsor of approximately eight (8) acres of underwater land which includes the land under the waters of Lake George over which Harris Bay's docks extend. This easement was assigned to the Club on July 13, 1989."

(13) Management Agreement.

Section IV of Amendment No. 8, is amended to read as follows:

"The Club has entered, and may in the future enter, into management agreements with individuals or entities, as required from time to time, to perform all functions necessary to operate and maintain the marina property and facilities."

First main paragraph of text, starting with a faint opening word or phrase.

Second main paragraph of text, continuing the narrative or report.

Third main paragraph of text, providing further details or context.

Fourth main paragraph of text, possibly containing a list or specific data points.

Fifth main paragraph of text, concluding the section or providing a summary.

(14) Selling Agency Agreement.

Section V of Amendment No. 8, is amended to read as follows:

"The Club has entered, and may in the future enter, into selling agency agreements with individuals or entities, as required from time to time, to enlist the assistance of brokers to effect sales or rentals."

"The Selling Agency Agreement obligates the Club to cause the Plan to be amended in accordance with the requirements of Section 352-e of the General Business Law and the regulations promulgated under Section 352-e. The Agreement obligates the Club to maintain an escrow account for the deposit of down payments and to handle such funds in accordance with the requirements of Sections 352-e(2)(b) and 352-h of the General Business Law. The Selling Agency Agreement provides that selling agents will not be liable to the Club for any loss or damage not caused by an act or omission involving the selling agent's negligence, gross negligence, recklessness, intentional tort, violation, rule or regulation or breach of contract. The Club will be obligated to indemnify its selling agents from any cost or expense arising out of (a) damage, injury or loss to any third party in, about and in connection with the premises as more fully set forth in the Agreement; and (b) any cost or expense for all acts properly performed by any selling agents pursuant to the instructions of the Club."

(15) Maintenance Fee.

The Board of Directors voted to increase the annual maintenance fee to \$375.00 per quarter, due the second day of January, April, July and October.

The Board of Directors voted to add a capital improvement assessment in the amount of two hundred and fifty dollars (\$250.00). One installment of one hundred twenty-five dollars (\$125.00) payable on January 2 and the second installment of one hundred twenty-five dollars (\$125.00) payable on April 2.

1. Introduction

2. Methodology

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7. Appendix

8. Acknowledgements

9. Contact Information

10. Author Biographies

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12. Funding Sources

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14. Ethics Approval

15. Supplementary Materials

16. Correspondence

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18. Publication History

19. Copyright

20. Terms and Conditions

21. Disclaimer

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23. Glossary

24. Index

25. Table of Contents

26. Abstract

27. Keywords

28. Subject Headings

29. Classification

30. Final Remarks

(16) Boat Slip Capacity.

After replacement of the dock system, because of a reduction in the surface area of the docks and slight adjustments in slip alignments, additional space existed at certain slips. The Board of Directors voted to modify the capacities of effected slips to make available for use the additional space created by the dock reconstruction. The Board further voted to permit owner's of the memberships assigned to the slips which had increased physical capacity to purchase the additional capacity up to the maximum amounts shown on Exhibit "A" to this amendment. Where additional capacity was created at two adjoining slips in a "U" the Board voted to permit the members assigned to the adjoining slips to purchase one half of the increased capacity each. In the event that the adjoining members did not do so within a specified period of time, the Board voted to authorize either member to purchase the entire amount of additional capacity. Prior to April 30, 1991, additional capacity in length could be purchased for \$1,000.00 per foot and additional capacity in beam could be purchased for \$2,000.00 per foot. After April 30, 1991, additional capacity in length can be purchased for \$1,500.00 per foot and additional capacity in beam can be purchased for \$2,500.00 per foot.

(17) Definitions.

Subdivision (d) of the "definitions" section appearing at p.4 of the Plan is amended to read as follows:

"Sponsor" will mean Yardarm Development Associates, a New York limited partnership. On July 2, 1984, Harris Bay Yacht Club, Inc. became the owner of all unsold memberships, as more particularly described in the Plan at p.60.

Subdivision (l) of the "definitions" section appearing at p.4 of the Plan is amended to read as follows:

"Selling Agent" will mean any individuals and/or entities enlisted by the Club to effect sales or rentals, as more particularly described in item (14) of this Amendment.

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Subdivision (u) of the "definitions" section appearing at p.5 of the Plan is amended to read as follows:

"'YMI' will mean Yardarm Marina, Inc., a New York Corporation, affiliate of sponsor, and former management and selling agent. YMI was succeeded in interest by American Marinas, Inc. The Club reserves the right to enter into Management and Selling Agreements as more particularly described in items (13) and (14) of Amendment 10."

Subdivision (x) of the "definitions" section appearing at p.5 of the Plan is deleted.

(18) Real Estate Taxes.

Note: Changes in the assessed value, if any, occur in May. Town and County taxes are billed in January and School tax is billed in September. So if there is a change in the Town and County assessment value will differ from the School assessment value.

The portion of the Plan on p.21 designated as "5. Real Estate Taxes" is amended to read as follows:

WARREN COUNTY

	<u>Assessed Value</u>	<u>Rate</u>	<u>Total Taxes</u>
<u>1994</u>			
Town & County	\$3,279,100.00	.004643	\$15,224.86
School	\$3,279,100.00	[bill comes out in August]	
<u>1993</u>			
Town & County	\$2,122,200.00	.00579	\$12,287.54
School	\$3,279,100.00	.008659955	\$28,396.86
<u>1992</u>			
Town & County	\$2,122,200.00	.005646	\$11,981.95
School	\$2,122,200.00	.010839633	\$23,003.87

(19) Current Budget and Financial Statement.

The current budget, the 1992 & 1991 and 1993 & 1992 certified financial statement are annexed to this amendment as Exhibits "B", "C" and "D", respectively.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that this is crucial for ensuring the integrity of the financial statements and for providing a clear audit trail. The text also mentions the need for regular reconciliations and the use of appropriate accounting methods.

2. The second part of the document focuses on the classification of assets and liabilities. It provides detailed guidance on how to identify and categorize these items, ensuring that they are recorded in the correct accounts. This section also discusses the impact of these classifications on the overall financial position of the entity.

3. The third part of the document addresses the calculation and presentation of financial ratios. It explains how these ratios are used to analyze the performance and financial health of the organization. The text includes examples of common ratios and provides instructions on how to calculate and interpret them.

4. The fourth part of the document discusses the preparation of financial statements. It outlines the steps involved in compiling the data from the accounting records into the various statements, including the balance sheet, income statement, and cash flow statement. It also provides information on the required disclosures and the format for presenting these statements.

5. The final part of the document covers the review and approval process for the financial statements. It describes the roles and responsibilities of management and the board of directors in ensuring that the statements are accurate and reliable. It also discusses the importance of external audits and the role of auditors in providing an independent opinion on the financial statements.

(20) Determination of Assessments.

The portion of the Plan beginning on p.91 and continuing on page 92 pertaining to "Determination of Assessments" is amended to read as follows:

Section B. Determination of Assessments.

"The Board shall establish an annual budget in advance for each fiscal year. The budget shall project all expenses for the forthcoming year that may be required for the proper operation, management, repair, replacement, improvement and maintenance of the Marina property and such allowances for any of the reserves permitted by these By-laws, as the Board shall deem proper. The budget shall project the reasonably anticipated income of the Club and the assessment to be levied against each member. The Board shall cause a copy of the proposed budget to be mailed to each member who requests one no later than ten (10) days prior to the Board meeting at which the Board shall consider the adoption of such budget. Should the Board at any time determine that the assessment levied pursuant to the budget, is or may be insufficient to pay the above mentioned expenses of the Club, the Board shall have the authority to increase the assessment or levy such special assessments as it shall deem proper. Any assessment levied may be made payable in installments, in the discretion of the Board. Each member and his membership shall be assessed an equal sum. The Club shall not be obligated to pay assessments, installments thereof, or special assessments, for any memberships owned by the Club."

(21) Assignment of Membership Form.

The assignment of membership form appearing at pp.175-176 of the Plan is amended to read as follows:

ASSIGNMENT OF MEMBERSHIP

I(We), _____ (the "Assignor(s)") in consideration of the sum of (_____), paid by _____ (the "Assignee(s)"), hereby assign to the Assignee(s), all my(our) rights, title and interest in a membership in the Harris Bay Yacht Club, Inc., that is assigned the use of Slip No. _____ in the yacht club owned by Harris Bay Yacht Club, Inc., in the Town of Queensbury, in the County of Warren, in the State of New York.

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RWB/kac 11/10/1991
The Assignee(s) hereby covenants that it(they) expressly assume(s) and is(are) bound by the obligations created under the Prospectus, and all subsequent Amendments, and any and all Rules, Regulations and Resolutions of Harris Bay Yacht Club, Inc.

Assignor(s) represent and warrant that they have good and marketable title to said membership free and clear of all encumbrances whatsoever.

Dated: Cleverdale, New York
_____, 199__

Assignor:

Assignee:

Assignor:

Assignee:

STATE OF NEW YORK

ss.:

COUNTY OF

On the ____ day of _____, 199__, before me personally came _____ to me known to be the individual(s) described and who execute the foregoing instrument and duly acknowledge that _____ executed the same.

Notary Public

STATE OF NEW YORK

ss.:

COUNTY OF

On the ____ day of _____, 199__, before me personally came _____ to me known to be the individual(s) described and who execute the foregoing instrument and duly acknowledge that _____ executed the same.

Notary Public

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
5708 SOUTH CAMPUS DRIVE
CHICAGO, ILLINOIS 60637

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Ninth main paragraph of text, with very light and illegible characters.

Tenth main paragraph of text, consisting of several lines of illegible text.

Final main paragraph of text at the bottom of the page, appearing as faint, illegible characters.

(iii) Section 9(C) of the Pledge Agreement appearing at p.165 of the Plan is amended to read as follows:

"At the closing of the public sale, or any other disposition of the membership permitted by this agreement, the Secured Party or its agents will have the right to complete the blank portions of the Assignment for the purpose of transferring all the Purchaser's rights to an interest in the membership. The Purchaser irrevocably authorizes the Secured Party or its agents to complete the blank portions of the Assignment."

(23) Subscription Agreement.

The subscription agreement appearing at pp.112-124 of the Plan is amended by deleting it in its entirety and substituting in its place a "Contract for Sale", which reads as follows:

CONTRACT FOR SALE

SECTION I

Definitions. The following terms when used in this Agreement will have the meaning set forth below:

- A. "AGREEMENT" shall mean this Contract For Sale for a membership in Harris Bay Yacht Club, Inc.
- B. "CLUB" shall mean Harris Bay Yacht Club, Inc., a New York Not-For-Profit Corporation.
- C. "SLIP" shall mean the slip identified on the first page of this Agreement that has been or will be assigned to the membership that is the subject of this Agreement.
- D. "MEMBERSHIP" shall mean the interest held by the member of the Club that is the subject of this Agreement.
- E. "PLAN" shall mean the offering plan and all amendments to the date of sale for the sale of membership in the Club.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions.

2. It is essential to ensure that all entries are supported by proper documentation and receipts.

3. Regular audits should be conducted to verify the accuracy of the records and identify any discrepancies.

4. The second part of the document outlines the procedures for handling cash and credit transactions.

5. All cash receipts should be recorded immediately and deposited in a secure bank account.

6. Credit sales should be recorded on an accrual basis, and accounts receivable should be monitored closely.

7. The third part of the document provides guidelines for managing inventory and stock levels.

8. Inventory should be counted regularly to ensure that the recorded quantities match the actual stock on hand.

SECTION II

Sale; Purchase Price. The SELLER, _____, agrees to sell, transfer, and deliver to PURCHASER, _____, on or before _____, 199_, pending approval of the Club's Board of Directors, the following described Membership in the Harris Bay Yacht Club, Inc.:

the assignment of Slip No. _____, along with all of the rights and obligations of membership as set forth in the Plan.

The Purchaser, _____, agrees to pay purchase price of the membership, _____ dollars (\$ _____), upon transfer of title. The entire purchase price is payable by the Purchaser's certified check or an official cashier's check, drawn on a bank located in the State of New York.

SECTION III

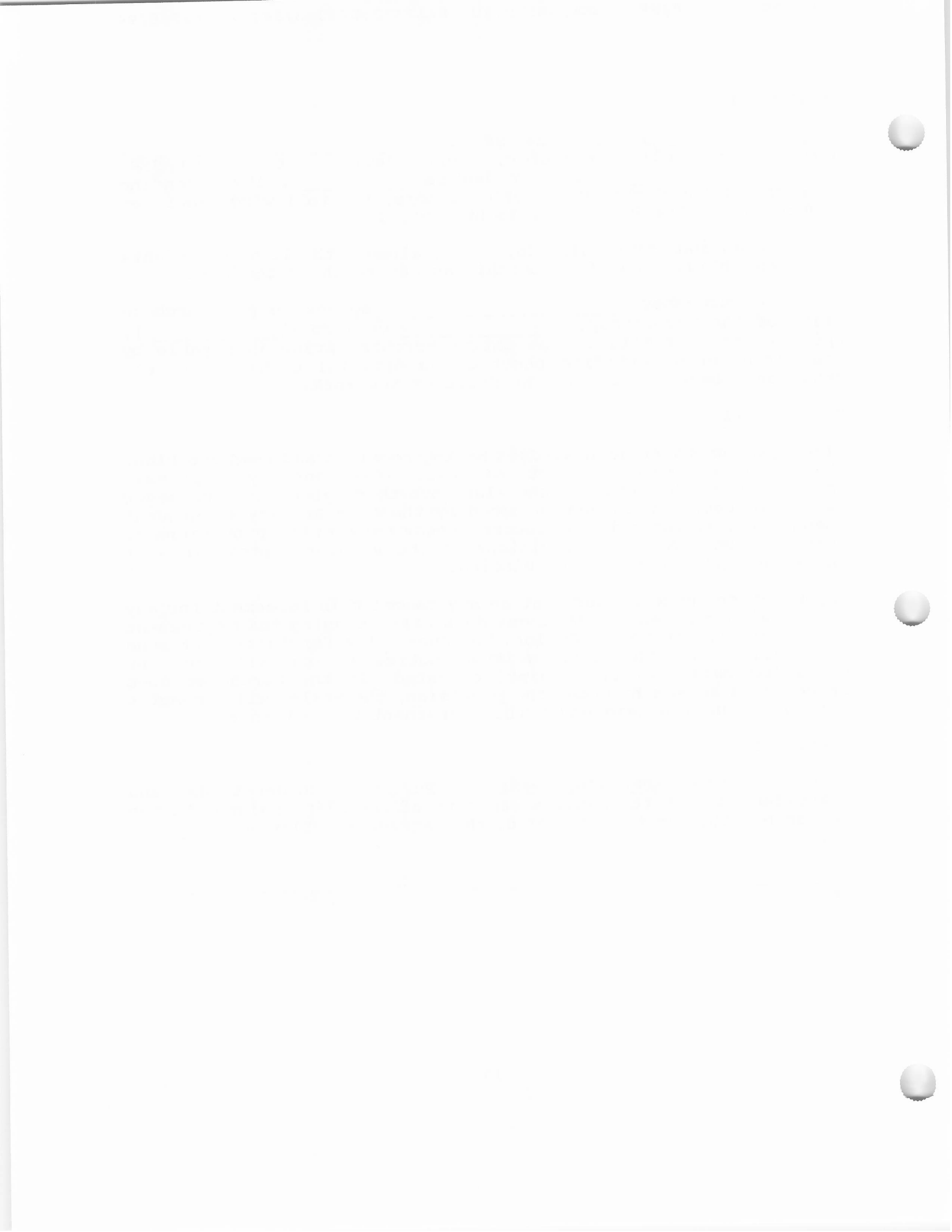
Plan. (a) Purchaser acknowledges having received and read the Plan. The Plan is made a part of this Agreement by expressly incorporating the terms of the Plan into this Agreement. Purchaser agrees to comply with and be bound by the Plan and any subsequent amendments. If there is any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan will govern and be binding.

(b) Purchaser understands that he may cancel this Agreement for any reason within seven (7) business days after signing this Agreement and submitting it to the Seller. To cancel, the Purchaser must send the seller and the Club written notice of cancellation, by certified mail, return receipt requested. If the Purchaser does cancel this Agreement under the provision, the Seller will promptly refund all monies paid under this Agreement without interest.

SECTION IV

Slip Capacity Acknowledgement. Purchaser understands and acknowledges that the maximum capacity of the slip assigned to the membership that is the subject of this Agreement, Slip No. _____, is:

_____ x _____ x _____
LENGTH BEAM DRAFT



SECTION V

Governing Law. This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of New York.

SECTION VI

Agreement Subject to Acceptance by the Club. This Agreement is subject to approval by the Club, as set forth in Amendment No. 1 to the Plan.

SECTION VII

Agreement Not Assignable. This Agreement cannot be assigned or otherwise transferred by the Purchaser without the written consent of the Club. This Agreement is binding upon the Purchaser, and all persons who succeed to any or all of the rights, obligations or role of the Purchaser under this Agreement. This Agreement is binding upon the Seller and all persons who succeed to any or all of the rights, obligations or role of the Seller. Any assignment or other transfer of this Agreement, made without the written consent of the Club will be null and void.

SECTION VIII

Modification. This Agreement cannot be changed orally. It can only be changed in writing and the writing must be signed by the party against whom the change is sought to be enforced.

SECTION IX

The terms of this contract are intended by the parties as a final expression of their agreement with respect to such terms and also as a complete and exclusive statement of such terms.

DATED:

DATED:

SELLER

PURCHASER

SELLER

PURCHASER

STREET ADDRESS

STREET ADDRESS

CITY, STATE, ZIP CODE

CITY, STATE, ZIP CODE

TELEPHONE NUMBER

TELEPHONE NUMBER

Page 1 of 1

1. Introduction

2. Methodology

3. Results

4. Discussion

5. Conclusion

The purpose of this study is to investigate the effects of the independent variable on the dependent variable.

The methodology employed in this study is a quantitative approach, specifically a randomized controlled trial. The study was conducted over a period of 12 weeks, with participants being randomly assigned to either the experimental group or the control group.

The results of the study indicate that there was a significant difference between the experimental and control groups, with the experimental group showing a higher level of the dependent variable.

These findings suggest that the independent variable has a positive effect on the dependent variable, which is consistent with the hypothesis of the study.

The limitations of this study include the relatively small sample size and the short duration of the study.

Future research should aim to address these limitations by using a larger sample size and a longer duration.

In conclusion, the study has provided evidence to support the hypothesis that the independent variable has a positive effect on the dependent variable.

The authors would like to thank the funding agency for their support of this research.

References

ACCEPTED BY:
HARRIS BAY YACHT CLUB, INC.

By: _____

Date of Board Approval: _____

(24) Description of Docks and Designation of Boat Slips.

The Plan is amended to change the physical description of the docks appearing at p.140 to read as follows:

"In 1989, Harris Bay Yacht Club, Inc. completed the replacement of its docks with a floating, laminated cedar dock system manufactured by Marina Ventures, Inc. All docks have electrical outlets, lights and water. A sewage pump-out station and gasoline pumps are located on Dock "C". The size and configuration of the docks are shown on the "DOCK REPLACEMENT PLAN attached to this Amendment as Exhibit "E".

(25) Unsold Memberships.

On July 2, 1984, Harris Bay Yacht Club, Inc. became the owner of all unsold memberships, as more particularly described in the Plan at p.60. On that date, the sponsor relinquished control of the Board of Directors of the Club. As of December 9, 1993, the Club owns and is the holder of twenty (20) of the two hundred seventy-one (271) memberships. Those memberships are identified by the following boat slip assignments:

A-1, A-2, A-5, B-3, C-7, C-24, CE-1, CE-5, D-23, D-25, D-27, D-31, D-33, D-35, D-37, E-4, E-23, E-25, F-1 and F-4.

(26) Mortgage Consolidation and Refinance.

On November 13, 1992, the Club consolidated and refinanced two mortgages held by Key Bank of New York, formerly known as Key Bank N.A. The Modification Agreement is annexed to this Amendment as Exhibit "F".

On April 26, 1994, the Club consolidated and refinanced the mortgage held by Key Bank of New York. The closing documents consisting of Mortgage and Security Agreement, Consolidated Promissory Note, Mortgage Consolidation, Extension and Modification Agreement, Demand Note, Assignment of Notes, Security Agreement, Line-of-Credit Note, Commitment Letter and UCC-1 Statements are annexed to this Amendment as Exhibit "G".

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

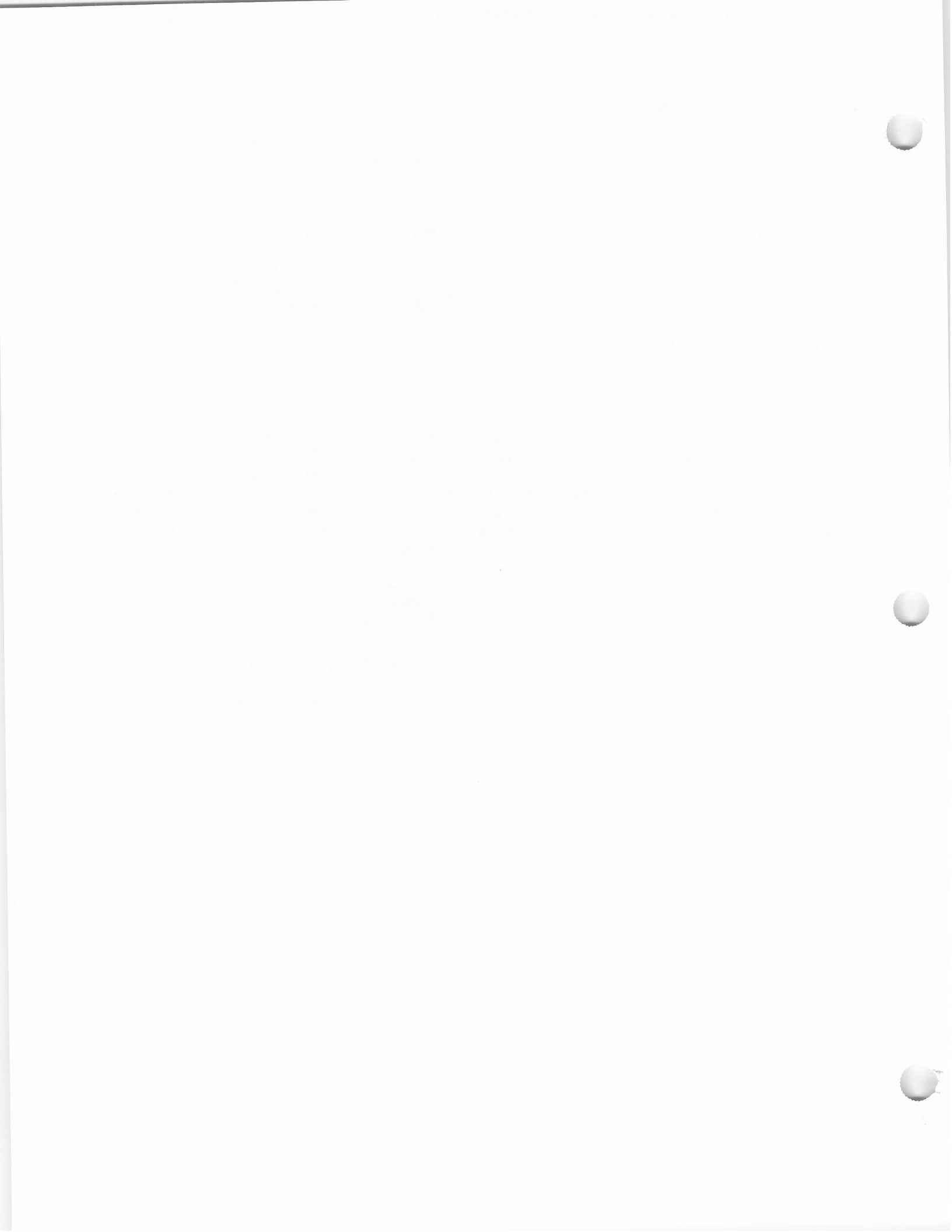
2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical tools employed to interpret the results.

3. The third part of the document presents the findings of the study. It includes a series of tables and graphs that illustrate the trends and patterns observed in the data. The analysis shows a clear correlation between the variables studied.

4. The fourth part of the document discusses the implications of the findings and offers suggestions for further research. It highlights the need for continued monitoring and evaluation of the system to ensure its long-term effectiveness.

5. The fifth part of the document provides a summary of the key points and conclusions. It reiterates the importance of the research and the potential for future applications in related fields.

6. The final part of the document includes a list of references and a bibliography. It cites the various sources of information used in the study, providing a comprehensive overview of the research landscape.



HARRIS BAY YACHT CLUB, INC.
YARDARM MARINA
ROUTE 9-L
CLEVERDALE, NEW YORK 12820

AMENDMENT NO. 11

The Offering Plan (the "Plan"), dated August 2, 1983, previously revised by 10 Amendments, is hereby revised as follows:

1. Boat Slip Capacity.

- A. The Schedule of Slip Location, Membership Cost and First Year's Annual Maintenance Cost originally appearing at pages 6-12 of the Prospectus, as previously amended from time to time is amended as follows:

The list of slips, their dimensions and any available length or beam are set forth on Exhibit A. The additional length and beam, where available may be purchased from the Club at prices established from time to time by the Board of Directors.

- B. Footnote 1 to the Slip Location, Membership Cost and First Year's Annual Maintenance Cost originally appearing at page 13 of the Prospectus and modified in Amendment 7 is hereby amended as follows:

The draft, length, and beam set forth on the Schedule are the maximum draft, length and beam of the boat that will be permitted by the Club pursuant to the roster the Club is required to maintain under Article V, Section B of the By-Laws except in cases in which the Board of Directors approves an oversize boat agreement executed by the members or assignees of the members of Harris Bay Yacht Club, Inc. granting the right to use certain designated slips for oversize boats. The Board of Directors shall have no obligation to approve any such agreement. In the event that the Board of Directors approves an oversize boat agreement, a notation shall be made on the roster maintained under Article V, Section B of the By-Laws that an oversize boat agreement has been approved and showing the maximum dimensions of the boats permitted in all affected slips. Oversize boat agreements shall be effective only during the calendar year in which they are approved, and approval in one year shall not obligate the Board of Directors to approve such an agreement in any subsequent year.

The Board of Directors may not, except by the affirmative vote of all Directors, approve an oversize boat agreement or otherwise permit the use of any slip for the dockage of a boat with dimensions greater than those set forth on Exhibit A, with the following two exceptions. First, by resolution at its August 18, 2003 meeting the Board of Directors authorized the rental to Gary Bordeau at Dock A-31 of 2 feet of additional length for as

long as he owns and uses A-31 for the Formula 40 Performance Cruiser purchased to dock in A-31. Second, by resolution at its meeting on December 16, 2004 the Board of Directors authorized the rental to Michael Wood at Dock F-22 of 2 feet of additional length for as long as he owns and uses F-22 for the Express Cruiser purchased to dock in F-22. The rental of these feet of additional length may not be transferred and terminate without further action of the Board of Directors when Mr. Bordeau and Mr. Wood cease to dock those specific boats in Slips A-31 and F-22.

2. Membership Cost

Footnotes 2-10 to the Slip Location, Membership Cost and First Year's Annual Maintenance Cost originally appearing at page 13 of the Prospectus and modified in Amendments 7 and 8 are hereby amended as follows:

Only 17 Memberships remain available for purchase from the Club. The Club intends to sell some or all of them by auction. A list of the slips, their dimensions, Member expenses, proration of rents and the minimum bids at which the Club intends to offer them on or about July 16, 2005 are set forth on Exhibit B. Annual Member expense is \$1,825.00 including Lake George Park Commission dock fee, and excluding special assessments, if any.

Footnotes 3-10 are deleted.

3. Budget

The Projected Budget for First Year of Operation of the Club originally appearing on page 16 of the Prospectus is hereby amended as follows:

The Club's 2005 Budget is as set forth on Exhibit C.

The remaining information contained at pages 17-34 of the Prospectus is historical and pertains to the Club's first year of operations.

4. Real Estate Taxes.

Note: Changes in the assessed value, if any, occur in May. Town and County taxes are billed in January and School tax is billed in September. So if there is a change in the Town and County assessment it will differ from the School assessment value.

The portion of the Plan on p.21 designated as "5. Real Estate Taxes" is amended to read as follows:

WARREN COUNTY

	<u>Assessed Value</u>	<u>Rate</u>	<u>Total Taxes</u>
2005			
Town & County	\$3,279,100.00	.005616	\$18,415.42
School	\$3,539,500.00	[bill comes out in August]	
	<u>Assessed Value</u>	<u>Rate</u>	<u>Total Taxes</u>
2004			
Town & County	\$3,279,100.00	.006569	\$21,540.42
School	\$3,279,100.00	.010402911	\$34,112.18

5. Procedure to Purchase

The Procedure to Purchase originally appearing at page 41 of the Prospectus as modified in Amendment 2 is amended as follows:

The Board of Directors may determine to sell Memberships owned by the Club either directly or by auction with established minimum bids. The Board of Directors has determined that the Club will offer 17 Club owned slips at an auction following the procedure contained in information packets attached to this Amendment as Exhibit D. These information packets were sent to the Club's existing Members and others on a waiting list. Successful bidders will be required to complete and sign a Harris Bay Yacht Club Contract form, make a non-refundable \$5,000.00 deposit and pay the balance of the purchase price not later than July 31, 2005. In the event that a successful bidder fails to complete the purchase, the Membership will be offered to the individual making the second highest bid. In the event that fewer than 17 Memberships are sold at that auction, the Board of Directors may authorize the Club to conduct subsequent auctions or direct sales at times and places as determined by the Board, or alternatively, the Board may decide to retain unsold Memberships for such time as it sees fit.

6. Terms of Mortgage

The Terms of Mortgage originally appearing at page 50 of the Prospectus is amended as follows:

The Club has from time to time refinanced its debt. The last refinance took place in 2003 and the Club has granted a mortgage to Banknorth N.A., to secure a note in the original principal amount of \$812,890.38, bearing interest at the rate of 5.0% per annum and maturing October 1, 2009. A copy of the mortgage is attached as Exhibit E. The mortgage was recorded on October 29, 2003 in the office of the Warren County Clerk in Liber 2292 at Page 1.

DOCK				
NUMBER	LENGTH	BEAM	DRAFT	L/B
A-01	30	13	2.5	
A-02	30	13	2.5	
A-03	38	14	2.5	
A-04	30	10	2.5	
A-05	36	12	2.5	
A-06	30	10	2.5	
A-07	36	13	2.5	
A-08	30	10	2.5	
A-09	36	12	2.5	
A-10	30	10	2.5	
A-11	36	12	2.5	
A-12	30	10	2.5	
A-13	36	12	2.5	
A-14	30	9	2.5	
A-15	37	13	3.5	
A-16	30	11	3.5 2L	
A-17	36	12	3.5	
A-18	30	10	3.5	
A-19	36	13	3.5	
A-20	30	10	3.5 2L	
A-21	36	12	3.5	
A-22	30	10	3.5 2L	
A-23	36	13	3.5	
A-24	30	10	3.5 2L	
A-25	36	12	3.5	
A-26	30	10	3.5 2L	
A-27	36	12	3.5	
A-28	30	10	3.5 2L	
A-29	36	13	3.5	
A-30	30	10	3.5 2L	
A-31	36	13	3.5	
A-32	30	11	3.5 2L	
A-33	36	13	3.5	
A-34	30	10	3.5 2L	
A-35	36	13	4	
A-36	30	10	3.5 2L	
A-37	42	14	4	
A-38	32	14	4	
B-01	26	10	2 4L/1B	
B-02	26	10	2 4L/1B	
B-03	28	10	2.5	
B-04	28	11	2.5 2L	
B-05	28	10	3	
B-06	28	11	3	
B-07	28	10	3 2L	
B-08	30	11	3	
B-09	28	10	3.5 2L	
B-10	30	11	3.5	

B-11	28	11	
B-12	28	10	3.5 2L
B-13	28	10	3.5 2L
B-14	28	10	3.5 2L/1B
B-15	30	11	3.5 2L/1B
B-16	28	10	3.5
B-17	30	11	3.5 2L
B-18	28	10	3.5
B-19	40	14	3.5 2L
B-20	32	13	4
B-21	32	13	3.5 1B
B-22	32	13	3.5 1B
B-23	30	12	3.5 1B
B-24	30	12	3.5 1B
C-01	32	13	3.5 1B
C-02	30	13	2.5
C-03	32	12	2.5
C-04	30	10	2.5 2B
C-05	36	12	3
C-06	30	12	3 2B
C-07	36	12	3
C-08	30	12	3
C-09	36	12	3
C-10	30	12	3
C-11	36	13	3.5
C-12	30	10	3.5
C-13	36	11	3.5
C-14	30	12	3.5
C-15	36	12	3.5
C-16	30	12	3.5
C-17	36	12	3.5
C-18	26	9	3.5
C-19	36	13	3.5
C-20	26	9	3.5
C-21	36	12	3.5
C-22	30	12	3.5
C-23	36	12	3.5
C-24	26	9	3.5
C-25	36	13	3.5
C-26	30	12	3.5
C-27	36	13	3.5
C-28	30	10	3.5
C-29	36	13	3.5
C-30	30	12	3.5
C-31	36	13	3.5
C-32	26	9	3.5
C-33	36	13	4
C-34	30	12	3.5
C-35	36	13	4
C-36	30	11	4
C-37	36	11	4
C-38	30	10	4

C-39	36	13	4
C-40	30	10	4
C-41	26	9	4
C-42	30	11	4
C-44	30	12	4.5B
C-46	32	12.5	4.5B
CE-01	24	8	5
CE-02	34	14	5
CE-03	26	10	4.5 26' maximum length including all overhang
CE-04	32	11	5
CE-05	30	10	4.5
CE-06	32	11	5
CE-07	30	9	4.5
CE-08	32	10	5
CE-09	30	11	4.5
CE-10	32	10	5
CE-11	30	10	4.5
CE-12	32	10	5
CE-13	30	10	4.5
CE-14	32	10	5
CE-15	30	11	4.5
CE-16	32	11	5
CE-17	30	13	4.5
CE-18	32	12	5
CE-19	30	11	4.5
CE-20	32	10	5 1B
CE-21	30	10	4.5
CE-22	32	10	5 1B
CE-23	30	10	4.5
CE-24	32	8	5
CE-25	30	9	4.5
CE-26	32	9	5
CE-27	30	9	4.5
CE-28	32	9	5
CE-29	30	9	4.5
CE-30	32	9	5
CE-31	30	10	4.5
CE-32	32	10	5
CE-33	30	9	4.5
CE-34	32	9	5
CE-35	30	11	4.5
CE-36	32	11	5
CE-37	30	10	4.5
CE-38	32	10	5
CE-39	30	10	4.5
CE-40	32	10	5
CE-41	30	10	4.5
CE-42	32	10	5
CE-43	30	13	4.5
CE-44	32	13	5
D-01	26	10	2
D-02	24	10	2 2L

D-03	26	9	2.5
D-04	26	9	2.5
D-05	26	10	3
D-06	26	10	3
D-07	26	10	3
D-08	26	10	3
D-09	26	10	3
D-10	26	10	3
D-11	26	10	3
D-12	26	10	3
D-13	26	10	3
D-14	26	10	3
D-15	26	10	3.5
D-16	26	10	3.5
D-17	26	11	3.5
D-18	26	11	3.5
D-19	26	10	3.5
D-20	26	10	3.5
D-21	26	11	3.5
D-22	26	11	3.5
D-23	26	10	3.5
D-24	26	10	3.5
D-25	26	11	3.5
D-26	26	11	3.5
D-27	26	10	4
D-28	26	10	4
D-29	26	11	4
D-30	26	11	4
D-31	26	10	4
D-32	26	10	4
D-33	26	10	4
D-34	26	10	4
D-35	26	10	4
D-36	26	10	4
D-37	26	10	4
D-38	26	10	4
D-39	30	14	4.5
D-40	42	14	4.5
D-41	30	10	4.5
D-42	30	10	4.5 4L
E-01	26	10	2
E-02	26	10	2 2L
E-03	26	9	2.5
E-04	26	9	2.5 2L
E-05	26	9	3
E-06	26	9	3 2L
E-07	26	9	3
E-08	26	9	3 2L
E-09	26	9	3
E-10	26	9	3 2L
E-11	26	9	3
E-12	26	9	3 2L

E-13	26	9	3
E-14	26	9	3 2L
E-15	26	9	3.5
E-16	26	9	3.5 2L
E-17	26	9	3.5
E-18	26	9	3.5 2L
E-19	26	9	3.5
E-20	26	9	3.5 2L
E-21	26	9	3.5
E-22	26	9	3.5 2L
E-23	26	10	3.5
E-24	26	10	3.5 2L
E-25	26	10	3.5
E-26	26	10	3.5 2L
E-27	26	10	3.5
E-28	26	10	3.5 2L
E-29	26	10	3.5
E-30	26	10	3.5 2L
E-31	26	9	4
E-32	26	9	4 2L
E-33	26	10	4
E-34	26	10	4 2L
E-35	26	9	4
E-36	26	9	4 2L
E-37	26	10	4
E-38	26	10	4 2L
E-39	36	14	4.5
E-40	42	14	4.5
E-41	30	11	4.5 4L
E-42	30	11	4.5 4L
F-01	28	12	2
F-02	28	12	2
F-03	28	12	2.5
F-04	28	12	2.5
F-05	28	9	2.5
F-06	28	9	2.5
F-07	30	10	3
F-08	30	10	3
F-09	30	11	3
F-10	30	11	3
F-11	28	9	3.5 2L/1B
F-12	30	11	3.5
F-13	30	11	3.5 1B
F-14	30	10	3.5
F-15	28	10	3.5 2L/2B
F-16	32	11	3.5
F-17	28	9	3.5 2L/2B
F-18	30	10	3.5 4L
F-19	32	12	3.5 2B
F-20	30	10	3.5
F-21	28	9	3.5 2B
F-22	34	13	3.5

F-23	32	13	3.5 3B
F-24	36	12	3.5
F-25	28	9	3.5 4L/7B
F-26	36	13	3.5
F-27	30	10	3.5 2L/3B
F-28	36	12	3.5
F-29	32	12	3.5 3B
F-30	36	13	3.5
F-31	32	12	3.5
F-32	36	12	4
F-33	32	13	4
F-34	36	13	4.5
F-35	32	14	4.5
F-36	36	14	4.5 2L
F-37	42	14	4.5

