

Rock Hall Yacht Club, Inc.  
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**DRAFT Annual Stockholders' Meeting**  
**Minutes**  
November 12, 2006

Patty Macielag, stock manager, rang the bell and announced that 1,323 shares are represented in person or by proxy, and that 662 shares are needed to pass or defeat a motion. Commodore Chip Lieber called the meeting to order at 2:00 PM.

John Macielag said James Coleman has a verbal proxy to vote shares belonging to his mother, Emily Sue Coleman, which passed to her through the estate of his father, Dink Coleman. Mr. Macielag made a motion to accept the 150 shares contingent upon obtaining the necessary documentation from James and Emily Sue at the conclusion of the meeting. Mitch Grieb seconded the motion and it passed unanimously.

2005 Minutes

Commodore Lieber asked for changes or corrections to the Minutes from the 2005 Stockholders' meeting. Patsy Riehl asked for clarification about a donation, Was it \$250 or \$600 that was given to cover expenses associated with gathering details of the names of all stockholders and the number of shares owned by each? Mary Dunn said a lady sent an initial check for \$250 to cover the expense of obtaining stock transaction history, and that same individual made additional gifts bringing her donation total to \$600. The clarification was noted and the minutes of November 20, 2005 were approved, with first and second motions made by Chuck Parry and Jack Yellott, respectively.

Elections

Commodore Lieber presented the slate of Board members and Officers for 2007. Chuck Parry made a motion to accept the slate as presented. Officers: Chip Lieber, Commodore; Dyer Harris, Vice Commodore; Jennifer Lieber, Rear Commodore; Fred Welsh, Treasurer; JoAnn Fairchid, Secretary. Directors: Membership Committee, Jim Trammell; Social Committee, Sally Powell; Property and Facilities Committee, Ron Mansfield; Finance, Peter Metcalf; Strategic Planning, George Hardy; Pool and Grounds, Pat O'Connell; Regatta/Club Sailing, Dyer Harris; Junior Sailing, Chuck Parry. Jim Trammell seconded the motion and it passed unanimously.

By-Laws

John Macielag proposed that the Club's By-Laws be amended so that the Club would be able to sell two shares per family membership (current By-Laws say we can sell one share per membership). Chuck Parry seconded the motion and it passed unanimously.

### Commodore's Comments

Chip Lieber highlighted the following achievements during 2006:

- a) The Club established a paid position of club manager;
- b) We reached an agreement with Chesapeake Hospitality Group to better handle on site meal preparation and catering;
- c) The Club made improvements to the dining area including new carpeting, curtains, and sound paneling. Mr. Lieber noted that people are talking about the Club as a destination and that the pool and clubhouse had 40-50 guests over Labor Day weekend alone.
- d) Communication has improved with a new and colorful newsletter format, an updated membership directory, consistent messages via the Club's website and opportunities to communicate online via group lists. Mr. Lieber gratefully acknowledged members Buck and Colette Hearn at Minuteman Press in Doylestown, PA for donating the printing of the Club newsletter and other marketing materials;
- e) People are having fun on the water and the Club is increasing its level of waterfront activity with additional regattas throughout the sailing season, an expanded Club Sailing program on Sundays, and more participants in Junior Sailing. Mr. Lieber recognized Dyer Harris for his expertise in organizing regattas at every sailing level, citing the "Opti" regatta for beginners and mid-Atlantic and national competitions such as 505s and Windmills, respectively, to name just a few. Mr. Lieber and Mr. Harris gratefully acknowledged the help of numerous volunteers and they noted that the Island Packet group has signed up for a regatta in 2007;
- f) Boat storage is increasing likely due to the fact that the Club is improving its grounds;
- g) Membership is holding steady and we ran a successful new member drive during Rock Hall Fallfest weekend;
- h) Financially, the Club's picture has vastly improved and George Hardy noted we no longer live hand-to-mouth.

### General Questions

Commodore Lieber opened the floor to questions. Patsy Riehl asked about the hunting lease. Commodore Lieber reported it is for waterfowl hunting on- and off-shore and we have a permit for an off-shore duck blind. Mrs. Riehl asked, Who do we contract with? Commodore Lieber reported a contract this year with Northstar, a private, family-based group. Rosemary Shulz asked if Northstar carries insurance. Commodore Lieber assured everybody the answer is yes.

Mary Dunn asked, What is our reimbursement arrangement with the Sailing School? Fred Welsh noted the Club incurs expenses such as insurance and the Sailing School reimburses us for that as well as for storage of their boats. Mrs. Dunn asked, Who owns the RHYC Sailing School? And are they paying a fee for using Club facilities? Chuck Parry said the School is a separate 501(c)3, a not-for-profit entity. Mr. Welsh said the

School makes a donation to the Club in appreciation for the use of Club facilities. Mr. Parry noted the Sailing School scrupulously pays for shared expenses. Mrs. Dunn asked for copies of the Sailing School By-Laws and Mr. Parry asked the secretary to send them to her.

John Macielag asked, Does the Sailing School pays its own insurance? Mr. Parry said the School is on the Club's policy as an additional named insured. He then shared a statement of reimbursements that the Sailing School transferred to the Club in 2006. Payments for storage, insurance and dues totaled \$5,326 and a copy of said distribution statement is made part of these minutes.

Jack Yellott asked, What is the assessed value of Club property?

Patsy Riehl inquired about regatta income compared to regatta expenses. Dyer Harris reported that we made a significant investment in new marks, racing flags and other regatta fixtures that will benefit us over many years. Fred Welsh added that we received significant donations for the pool, regattas, and capital improvements in general.

Mrs. Riehl asked, Are stock fees kept separate from donations? Mr. Parry replied that the stock manager's transfer and maintenance fees are kept separate.

Patty Macielag gave a Stock Report which is made part of these minutes. She said the number of outstanding shares is 2,407. The number of authorized and un-issued shares stands at 93. There are a total of 166 stockholders. Of that number, 93 are members and 73 are non-members. Members own a total of 1,595 shares and non-members 812 shares. Mrs. Macielag thanked everybody who donated to the stock records fund, which helps to defray the cost of handling the records. Linda Parry made a motion to approve the Stock Record report as presented. Mary Dunn seconded the motion and it passed unanimously.

Patsy Riehl said she's interested in seeing a list of who owns RYHC stock. She would like to see a written list of the names and addresses of shareholders. She said she believes any shareholder or group can obtain this information if they own over 5% of the shares.

Mitch Grieb asked the board to reconsider the \$50 raise in individual membership dues. He noted that lower dues for young people, and dinghy sailors, is a good incentive for them to join the Club. JoAnn Fairchild concurred with Grieb. John Macielag said RHYC fees are a bargain compared to membership fees charged by other clubs, adding that we're at a huge discount even when we raise dues. Chuck Parry said Jim Trammell and the membership committee is working on a junior membership with lower fee structure. Linda Parry asked, Is anybody tracking membership as a result of those who attend the Sailing School? Mr. Parry said 15 families have joined as a result of attending Sailing School. Dyer Harris said he strongly endorses a junior membership level. Jack Yellott suggested a senior membership. Fred Welsh said we voted and passed the membership increase last year and waited to implement it until this year. Discussion

continued about not implementing the increase in individual fees this year, but it was concluded that that would affect the budget proposal for 2007.

#### Treasurer's Report

Fred Welsh said the Club had a good year and it has been able to make significant capital improvements. He reported a cash increase of about \$34,000; expenses 5% below projection; and our cash position at the end of the fiscal year shows a net income of about \$13,000. He said that Club income has increased due to fees associated with renting the kitchen to a local caterer. He noted that membership fees remain relatively stable. Mr. Welsh presented a Statement of Cash Flows from November 2005 through October 2006 which is made part of these minutes. There was \$45,652.51 cash at the beginning of the period and \$79,871.99 cash at the end of the period for a net increase of \$34,219.48. A statement of Profit & Loss vs Budget for November 2005 through October 2006, and a Balance Sheet as of October 31, 2006, was presented and is also made part of these minutes. Mr. Welsh concluded by saying that the Club tries to be conservative in its budget projections, and that the 2007 proposal takes into account flat membership revenue. He presented the Proposed 2007 Budget which is made part of these minutes.

#### Budget Questions

Jeff Robinson asked, What might \$25,000 of capital expenses include? Commodore Lieber said it may include floating docks, rebuilding steps to the front and back entrances of the Club, and other necessary improvements to be determined by the Board. He added that the Club is always interested in buying back stock as it comes available, but the Club has a separate account for that. Chuck Parry moved that we accept the 2007 budget proposal as presented by Fred Welsh. George Hardy seconded the motion and it passed unanimously.

#### Other

As a symbol of enduring friendship and in appreciation of the reciprocal relationship between the Sailing School and the Club, Sailing School graduates Kate Ranney and Julia Hilfiker (previous winners of the Stradley award for exceptional junior sailors) presented a pheasant feather to Commodore Lieber. A round of applause followed and Commodore Lieber and Mr. Parry shook hands.

There being no further business, old or new, the meeting was adjourned at 3:10 PM.

Respectfully submitted,

JoAnn Fairchild  
Secretary

12/13/06