

Gil's Interpretation of WSC Bylaws regarding properly restricted stock
(Unrestricted share may trade freely and are unaffected)
Update -- January 4,2009

Article II
Membership and Stockholders

Section 8. Resignation. Any member desiring to resign from the Club shall be allowed to do so upon submission of a letter of resignation and payment of delinquent dues and assessments and return of stock certificate.

Member account is billed until resignation is complete. Cash in share to pay debt.

Waccamaw Sailing Club Bylaw Article IX authorizes a transfer restriction as permitted by NCGS 55-6-27.

Article IX
Stock

Section 1. Stock will be transferable except that if the person receiving the stock is not an active member of the Club, the transfer to such person must be approved by the governing board.

The governing board must vote on any proposed stock transfer to anyone who is not an active member of the Club. The board may approve the transfer but it would require very unusual circumstances. Non-member current shareholders require explicit approval.

Section 2. Price at which stock is to be sold by the Club shall be set by the Governing Board and reported to the members as old business at the annual meeting. The price designated shall in no case be less than par value.

The board sets the selling price for shares sold by WSC. This implies the selling price is also the purchase price that WSC will pay for any shares it may repurchase.

Section 3. If a member requests that the Club sell his stock, his stock shall be turned in to the Purser and his shares will be placed in a pool of shares available for sale. All shares sold by the Club will be sold from this pool in the following priority:

- A. Member-owned shares on a first-in first-out basis.
- B. Club owned shares.

Section 4. Any member offering shares of stock for sale shall give first refusal of a bona fide offer of purchase to Waccamaw Sailing Club, Inc.. The proposed buyer must be acceptable to the Board of Governors.

WSC has the option to purchase any restricted share of stock offered for sale or transfer to both members and non-members. Section 2 determines the price WSC will pay.

NOTES:

1. The WSC Board of Governors must approve the transfer of restricted stock.
2. The Minutes will carry a record of the disposition of all stock matters.
3. The registered owner or his heirs may transfer lost share certificates using a WSC approved indemnification document properly signed and notarized.
4. The Stock Journal is the official record of registered owners.
5. The transfer restriction applies to shares passed thru an estate. If heirs wish to register shares in their name they should apply for membership. Otherwise the board will vote per Section 1 to allow the transfer or Section 4 to repurchase the shares.
6. Shares will be registered in 1 name only (the member).

DISTRIBUTE

1. Make shares available to members with the lowest number of shares
2. Heirs with application only get the current #, Today 2.