



Bylaws of the Florida Yacht Brokers Association, Inc.

ARTICLE I NAME

The name of this organization shall be the FLORIDA YACHT BROKERS ASSOCIATION, INC. (hereinafter referred to as the "Association").

ARTICLE II OBJECTIVES

1. To unite those engaged in the yacht brokerage business for the purpose of promoting cooperation and professionalism among its members.
2. To promote and maintain a high standard of conduct in the transacting of the yacht brokerage business.
3. To establish Chapters within the Association; these Chapters to be designated by geographic areas. The Chapters, including origin and structure of such regional Chapters, shall be approved by the Board of Directors.

ARTICLE III JURISDICTION

The territorial jurisdiction of the Association shall include the entire State of Florida.

ARTICLE IV MEMBERSHIP

Section 1. The members of the Association shall consist of individuals only. There shall be two classes of membership as follows:

Section 2. Active Members shall consist of one owner, principal, stockholder, partner, or officer of companies engaged in the Yacht Brokerage Profession duly licensed in the State of Florida. Active Members shall have the right to vote on all Association business.

Section 3. Associate Members shall consist of Independent Contractors duly licensed in the State of Florida working in a direct sales capacity for Active Members. Associate Members shall have the right to vote on all Association business.

Section 4. Affiliate Members shall consist of individuals or businesses who are directly related to the yacht brokerage industry. Affiliate members shall not be voting members nor be elected to the Board of Directors; however, they may serve on committees. These affiliate members shall be admitted at the sole discretion of the Board of Directors.

ARTICLE V ELECTION TO MEMBERSHIP

Section 1. (a) Application shall be made in writing stating the address of the applicant and endorsed by two or more Active Members in good standing. Said application shall contain a clause bidding the applicant in case of election, to conform to the Bylaws, Rules and Policies of this Association and shall be accompanied by the membership fees and dues for the fiscal year and delivered to the Secretary. The Secretary will bulletin the applicant's name to the membership at least one week prior to a meeting of the Board of Directors of this Association. Any member who has an objection to the applicant shall notify the Board of Directors in writing. He may then appear at the next regular meeting of the Board of Directors and state his reasons for objecting to the applicant becoming a member.

(b) The Board of Directors, after the objections, if any are presented, must elect or reject the applicant. Election to membership shall be by a "yes" vote by the majority of the Board of Directors.

(c) In case of failure to elect, the Secretary shall return the membership fee and dues to the applicant.

(d) In case of election to membership, the Secretary shall issue such new member a Certificate of Membership which shall be signed by the President and/or Secretary.

Section 2. Resignation. Any member in good standing may withdraw from membership, surrendering the Certificate of Membership and paying all fines, dues and charges then due, if any. Such membership shall terminate as of

the date of the acceptance of the resignation by the Board of Directors. Said member may be reinstated on payment of \$30.00 within twelve months after resignation.

Section 3. Suspension or Expulsion. For failure to abide by the Bylaws of the Association, or if it appears from a written communication from any member or other person or persons that the conduct of a member has been prejudicial to the Association or yacht brokerage profession, the Board of Directors, after citing said member, with seven days notice of hearing, shall have full power to suspend for a period of not more than one year, or expel said member, and he shall be and is expelled after being so declared. Any member suspended or expelled shall have the right, after six months from the date of suspension or expulsion, to apply for reinstatement. It shall be the duty of the Secretary to notify in writing each Active Member of the Association in case of such suspension or expulsion.

ARTICLE VI FINANCE AND DUES

Section 1. Membership dues and initiation fees shall be established by the Board of Directors. Changes in these dues and fees may be changed by a majority vote of the Board of Directors.

Section 2. Dues are payable annually in advance.

Section 3. An Associate Member who qualifies and applies for Active Membership shall have his initiation fee credited and his dues prorated.

Section 4. The Board of Directors may levy assessments for special projects and expenses. Such assessments will require a two-thirds majority vote by the Board of Directors.

ARTICLE VII BOARD OF DIRECTORS

Section 1. When members of the Association are not assembled in regular or special meeting, the direction and control of the affairs of the Association, except as may be herein specifically limited, shall be vested in a Board of Directors. The number of directors which shall constitute the whole Board shall be eleven (11), consisting of up to 5 Associate members with the balance being made up with Active members, until changed by an amendment to these Bylaws. The directors shall be elected at the annual meeting of the membership, except as provided in Section 1 and 2 of Article VII, and each director shall hold office until his successor is elected and qualified, or until his earlier resignation or removal.

Section 2. The election of the required number of Directors, each for a period of two years, shall take place on the day of the Annual Meeting at the office of the Association, or at any other lawful place designated by the Board of Directors. The current President shall serve for a period of one year as Past President of the Board of Directors. Vacancies and any newly created directorships resulting from any increase in the authorized number of directors, may be filled by a majority vote of the directors then in office, though less than a quorum, and each director so chosen shall hold office until his successor is duly elected and qualified.

Section 3. When nominated candidates for the Board of Directors shall be nominated by a nominating committee, appointed by the Board of Directors, thirty days prior to the date of the Annual Meeting. No more than two members of a corporation, partnership, or individual office shall be eligible to serve concurrently on the Board of Directors.

Section 4. The ballots for election of members to the Board of Director, shall have written or printed thereon the names of the persons so nominated in alphabetical order. Said ballots shall be given to each eligible voter entitled to vote as provided in Section 2 of Article IX.

Section 5. The presiding officer shall appoint three tellers and they, after counting the ballots, shall declare the persons receiving the highest number of votes elected as members of the Board of Directors and such declaration shall be entered in the minutes of the meeting.

Section 6. Any eligible voter shall be entitled to vote without actually being present at the time of voting and voting by absentee ballot shall be permitted. Each eligible voter of the Association shall have but one vote for each member of the Board of Directors to be elected. No cumulative vote shall be permitted.

Section 7. At the first regular meeting of the Board of Directors after the Annual meeting of the members, the Board of Directors shall elect a President from the senior members whenever possible, and one or more Vice Presidents, a Secretary and a Treasurer from the entire Board.

Section 8. Any member of the Board of Directors absent from three consecutive meetings without an excuse acceptable to the Board of Directors; shall automatically be dropped from said Board and his place thereon shall be declared vacant by the President. Any director may resign at any time: such resignation shall be effective upon delivery of a signed resignation, or copy thereof, to the Association or to any duly elected officer of the Association. Any director may be removed, for cause, by the vote of a majority of those entitled to vote on the election of such director.

Section 9. Regular meetings of the Board of Directors shall be as determined by the Board of Directors with a minimum of one meeting per calendar quarter. Regular meetings of the Board of Directors may be held without notice at such time and at such places as shall from time to time be determined by the Board, provided that such time and place shall be regular and continuous and shall not be changed except at a meeting of the Board, and notice of such change shall

be given in writing to each Director not present at such meeting at least forty-eight (48) hours prior to the first meeting of such changed place and time.

Section 10. The President may call a Special Meeting of the Board of Directors when it may be deemed necessary or advisable. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting; notwithstanding any other provision of these Bylaws, if a written consent thereto is signed by all members of the Board or such committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board or committee.

Section 11. Supervision. The Board of Directors shall have general supervision of the assets and property of the Association.

Section 12. Powers. The Board of Directors shall have power to (1) call special meetings of the Association, when deemed necessary, and shall call a meeting at any time upon written request of fifteen (15) Active Members; (2) to appoint, hire, or dismiss all necessary agents and employees, prescribe their duties, fix their compensation and require from them security for the faithful performance of their duties; (3) to cause to be issued to the members Certificates of Membership; and (4) to have made an annual audit of all records and books of account of the Association by a Certified Public Accountant, or more often if circumstances so indicate.

Section 13. Motions Affecting Finances. Any motion offered at a membership meeting which entails an expenditure of money or in any way affects the finances of the Association shall be made in the form of a recommendation and referred to the Board of Directors for action thereon.

Section 14. Quorum. Six members shall constitute a quorum at all meetings of the Board of Directors, unless otherwise provided herein.

ARTICLE VIII

"Robert's Rules of Order" shall be the manual of procedure at all meetings of the members and of the Board of Directors.

ARTICLE IX MEETINGS

Section 1. The Annual Meeting of this Association, unless otherwise determined by the Board of Directors, shall be held on the third Wednesday of January, at which they shall elect a Board of Directors and transact such other business as may properly be brought before the meeting. The fiscal and elective year of the Association shall be the calendar year and the new Directors and Officers will assume their executive duties on the date they are elected.

Section 2. Written notice of the Annual Meeting shall be given to each eligible voter not less than ten (10) nor more than sixty (60) days before the date of the meeting, and shall specify the date, time and place thereof.

Section 3. Regular meetings of the membership shall be held at such time and place as is designated by the Board of Directors. Special meetings may be called as outlined under Article VII, Section 12.

Section 4. Business transacted at any Special Meeting shall be limited to the purposes stated in the notice.

Section 5. The presence, in person or by proxy, of persons entitled to cast a majority of the votes on a particular matter, shall constitute a quorum at any meeting. The only exception is voting for amendments to the Bylaws in which case a two thirds majority vote is required. (See Article XIII). If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote present in person shall have power to adjourn the meeting without notice other than announcement at the meeting.

ARTICLE X OFFICERS

Section 1. The officers of the Association shall be chosen by the Board of Directors. The officers shall include a President, one or more Vice-Presidents, a Secretary and a Treasurer. Two or more offices may be held by the same person, except that where the office of President and Secretary are held by the same person, such person shall not hold any other office.

Section 2. The Board of Directors at its first meeting after each Annual meeting shall elect persons to serve in the various offices described above from its own body.

Section 3. The Board of Directors 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 4. The Board of Directors may employ an Executive Secretary and may delegate to him or her all or part of the duties of the Secretary and may otherwise prescribe his or her functions. The Directors may also employ such other persons as may be necessary to properly conduct the activities of the Association. The salaries, if any, of all officers, employees and agents of the Association shall be fixed by the Board of Directors.

Section 5. The officers of the Association shall hold office at the pleasure of the Board of Directors. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any officer may resign at any time; such resignation shall be effective upon delivery of a signed resignation, or copy thereof, to the Association or to any other duly elected officer of the Association. Any vacancy

occurring in any office of the Association by death, resignation, removal or otherwise shall be filled by the Board of Directors.

Section 6. Duties.

President. Subject only to these Bylaws, and to such power as may be delegated to other officers by the Board of Directors, the President shall, to the extent that such officer exercises the authority herein set forth, have general supervision, direction and control of the membership and at all meetings of the Board of Directors. He shall be ex officio a member of all the committees, including the Executive, committees, if any, and shall have the general powers and duties of management usually vested in the office of President of the Association, and shall have such other powers and duties as may be prescribed by the Board of Directors or by the Bylaws.

Vice-Presidents. The Vice-Presidents in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers as the Board of Directors may from time to time prescribe.

Secretary and Assistant Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the membership and record all the proceedings of the meetings of the Association and of the Board of Directors and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the membership and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or senior officers, under whose supervision he shall be. The Assistant Secretary shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. he shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Treasurer. The Treasurer shall have the custody of the Association's funds, and shall keep full and accurate accounts of receipts and disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursement, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as treasurer and of the financial condition of the Association.

Section 7. Checks. All checks or demands for money shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 8. Bonds. The Executive Secretary and the, treasurer may be required to furnish surety bonds in such amounts as the Board of Directors shall deem necessary, the cost to be paid by the Association

Section 9. Legal Counsel. The Board of Directors may retain legal counsel and fix the terms of compensation.

ARTICLE XI

No member shall have any proprietary interest whatever in or to any of the assets of the Association and no income, increments or other pecuniary or proprietary gains, benefit or advantage of any kind, in any way arising from or growing out of the assets of the Association or its operation, shall inure to or in any way go to or vest in any member of the Association. All property of the Association is irrevocably dedicated charitable, educational and public welfare purposes for which this Association is founded, and upon liquidation, dissolution or abandonment of this organization, no part of its property shall inure to the benefit of or be distributed to any private person, except a foundation, association or corporation organized and operated for charitable purposes as determined by the Board of Directors.

ARTICLE XII COMMITTEES

Section 1. Executive Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to have one member of the Board of Directors as a member, to serve in the management of the business and affairs of the Association. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

Section 2. Membership Committee.

Section 3. Legislative Committee.

Section 4. Other committees. The Board of Directors may appoint such other committees as may be necessary in promoting the best interests of the Association.

Section 5. The committees shall keep regular minutes of their proceedings and report the same to the Board of Directors at meetings thereof.

ARTICLE XIII AMENDMENTS

These Bylaws may be altered or repealed at any regular meeting of the membership or at any Special Meeting of the membership if notice of such alteration or repeal be contained in the notice of such Special Meeting. See Article IX, Section 5, for the quorum requirements for passage of amendments.

ARTICLE XIV
ETHICS, GRIEVANCE AND ARBITRATION

Section 1. The Board of Directors may act as a Grievance and Arbitration Committee or shall appoint a Grievance and Arbitration Committee to hear and render opinions on such grievances as may be submitted to it for decision. All grievances must be submitted in writing. Grievances to be heard will fall into one of the following categories:

(a) Grievances between two or more Active members of the Association. Submission of grievances is voluntary. If submitted for arbitration, all parties are bound by the decision of the Board of Directors.

(b) Grievance involving non-members of the Association may be heard at the discretion of the Grievance and Arbitration Committee. Such grievances may involve a member and another party to the transaction, or parties to a transaction involving a member. In cases involving non-members, the Grievance and Arbitration will only render an opinion.

(c) Upon submission of an ethics complaint by a member of the Association, if the other party or parties are also members, the other party or parties shall respond within 30 days.

Section 2. Normally grievances will be heard by the Grievance and Arbitration Committee at regular monthly meetings. When grievances are of an urgent nature and should be heard immediately, the Grievance and Arbitration Committee may appoint a Grievance Subcommittee consisting of one member of the Grievance and Arbitration Committee and two or more non-involved Members to hear the grievance. The findings of this Subcommittee will be reviewed by the Board of Directors for final decision.

ARTICLE XV
CODE OF ETHICS

Section 1. It is the duty of the member to protect the public against fraud, misrepresentation, or unethical practices in the yacht brokerage profession. Member should endeavor to eliminate any practices which could be damaging to the public or to the dignity and integrity of the yacht brokerage profession.

Section 2. In accepting employment as an agent, member pledges himself to protect the interests of his client. This obligation of absolute fidelity to the client's interest is paramount, but it does not relieve the member from the obligation of dealing fairly with all parties to the transaction.

Section 3. Since the member may be representing one or more parties to a transaction, he should not accept compensation from more than one party under any circumstances without the full knowledge of all parties to the transaction.

Section 4. Member, for the protection of all parties with whom he deals, should see that financial obligations and commitments regarding brokerage transactions are in writing and express the exact agreement of the parties. Copies of such agreements must be placed in the hands of all parties involved at the time the agreements are executed, or as soon thereafter as practicable.

Section 5. Member must segregate from his own funds all monies being held for other persons. Separate special bank trust accounts should be used for this purpose.

Section 6. Any offer submitted to either an owner or to a cooperating broker must be related in its entirety and must specify the exact nature of the earnest money deposit, i.e. cleared funds, personal check, telex advice that the deposit will follow by wire transfer, etc.

Section 7. In the event that more than one formal written offer on a specific vessel is made before the owner has accepted any offer, any other formal written offer presented to the member, whether by a prospective purchaser or another Broker, should be transmitted to the owner for his decision.

Section 8. Member should neither acquire nor sell an interest in, or buy for himself, any member of his family, firm, or any entity in which he has substantial interest, vessels listed with him, or his firm, without making the true situation known to the listing owner or prospective purchaser.

Section 9. Member should use his best efforts to ascertain all pertinent facts concerning every vessel, including the correct model year of manufacture as it appears on the ship's document, for which he accepts the agency so that he may fulfill his professional obligation to avoid error, exaggeration, misrepresentation or concealment of pertinent facts.

Section 10. It is the duty of the member to be well informed on current market conditions in order to be in position to advise clients as to the fair market value of vessels.

Section 11. Member should not undertake to make an appraisal or render an opinion of value on any vessel where he has a present or contemplated interest unless such interest is specifically disclosed to all parties to the transaction. Member should not undertake to make an appraisal that is outside the field of his experience unless he obtains the assistance of an authority on such types of vessels, or unless the facts are fully disclosed to the client. In such circumstances, the authority so engaged should be identified and his contribution to the appraisal should be clearly set forth.

Section 12. Member should always recommend the timely employment of an independent qualified marine surveyor as a condition precedent to the completion of a brokerage transaction.

Section 13. Signs giving notice of any vessels for sale, rent, lease, or exchange should not be placed on any vessel by more than one member, and then only if specifically authorized by the owner.

Section 14. Member should not submit or advertise vessels without written authority and in any offering the price quoted should not be other than that agreed upon with the owner as the offering price. Central listings must be in written form for a minimum period of 30 days, signed by the owner or his legal agent, and must provide cooperating brokers adequate protection in the case of a transaction between the owner and the cooperating broker's client.

Section 15. Members should not advertise other members' listings without their permission. Prices advertised on other members' listings should not be other than the listed offering price.

Section 16. Member should not engage in activities that constitute the practice of law and should recommend that legal counsel be obtained when the tax liability or legal interest of either party requires it.

Section 17. Members should cooperate with other members on vessels listed with him whenever it is in the interest of the client. Negotiations concerning a vessel listed exclusively with one member should be carried on with the listing broker, not the owner, except with the express consent of the listing member. All shared commission agreements should be negotiated prior to the submission of any Offer to Purchase.

Section 18. The agency of a member who holds an exclusive or central listing should be respected. A member cooperating with the listing member should not invite the participation of a third party without the express consent of the listing Broker.

Section 19. A member should not voluntarily disparage the business practice of a competitor, nor volunteer an opinion of a competitor's transaction. If his opinion is sought, it should be rendered with strict professional integrity and courtesy.

Section 20. A member should seek no unfair advantage over his fellow members and should willingly share with them the lessons of his experience and study.

Section 21. In justice to those who place their interests in his care, the member should endeavor always to be informed regarding laws, proposed legislation, governmental orders, and other essential information and public policies which affect those interests.

Section 22. Member should keep himself informed as to movements affecting recreation and yachting in his community, state and the nation so that he will be better able to contribute to public thinking on matters of taxation, legislation, marine use, waterfront planning, and other issues affecting boating interests.

Section 23. A member should so conduct his business as to avoid controversies with his fellow members. In the event of a controversy between members of the Florida Yacht Brokers Association, Inc., such controversy shall be arbitrated in accordance with the regulations of the Association rather than litigated.

Section 24. When a member is charged with unethical practice, he should place all pertinent facts before the proper tribunal of the Association for investigation and judgment.

Section 25. Controversies between members who are not members of the same local chapter should be submitted to the Florida Yacht Brokers Association, Inc., Board of Directors for arbitration. The decision of this Board is final and binding upon all member members.

Section 26. When a dispute involves both members and non-member parties, the Florida Yacht Brokers Association, Inc. may conduct an independent investigation at the request of any interested party.

Section 27. It is in the best interests of society, of his associates, and of his own business that the member be loyal to the Florida Yacht Brokers Association, Inc. and be active in its work.