

SUBSCRIPTION AGREEMENT AND FORM OF PROMISSORY NOTE

This Subscription Agreement and Form of Promissory Note (the “Agreement”) is made and dated as of _____, 2021, by and between Newport Yacht Club, a New York not-for-profit corporation (the “Club”), and the undersigned subscriber (the “Subscriber”).

WHEREAS, the Club is offering for sale a promissory note of the Club in the form attached to this Agreement as Exhibit A (the “Note”) in the principal amount set forth opposite such subscriber’s name on the signature page hereof, in Units of \$500, in a private placement offering (the “Offering”); and

WHEREAS, the Subscriber wishes to subscribe for and purchase the Note.

NOW, THEREFORE, the parties hereby agree as follows:

1. SUBSCRIPTION AGREEMENT

1.1 Subscription for Note. The Subscriber hereby subscribes for and agrees to purchase, subject to the terms and conditions of this Agreement, the Note in the principal amount set forth upon the signature page hereof. This subscription and agreement represent an irrevocable offer by the Subscriber to subscribe for said Note, except as expressly provided herein. This Agreement, subject to the terms hereof, shall become a contract for the sale of said Note upon the acceptance hereof by the Club on or before August 27, 2021 or such later date to which the Offering is extended by the Club (the “Termination Date”).

1.2 Right to Accept or Reject. The Club reserves the unrestricted right to accept or reject this or any other subscription, in whole or in part, to borrow less than the principal amount of the Note subscribed for herein, and to withdraw its offer at any time.

1.3 Payment. This subscription offer is accompanied by (i) a check payable to the order of the Club in an amount equal to the principal amount of the Note(s), in units of \$500; and (ii) the original copy of this Agreement, with Schedule A, completed and signed by the Subscriber. Upon acceptance by the Club, the Club will execute and deliver the Note to the Subscriber.

1.4 Non-Acceptance. If this subscription is not accepted by the Club by the Termination Date or it’s extension, the subscription by the Subscriber herein shall cease to be effective, the funds of such Subscriber shall be returned to the Subscriber in full, without interest, and, notwithstanding any provision herein to the contrary, this Agreement shall be void and of no effect whatsoever and shall not bind the Club in any manner or respect.

1.5 Subscriber’s Representations and Warranties. The Subscriber hereby makes the representations and warranties set forth below with the express intention that they be relied upon by the Club in determining the suitability of the Subscriber to purchase the Note(s). If the Subscriber is purchasing the Note(s) subscribed for hereby in a fiduciary capacity, the representations and warranties set forth herein are made on behalf of the person or persons for whom the Subscriber is so purchasing.

- (a) If the Subscriber is an individual, he or she is a citizen of the United States, at least 21 years of age and a bona fide resident and domiciliary (not a temporary or a transient resident) of the state shown in Schedule A, and has no intention of becoming a resident of any other state or jurisdiction.
- (b) The Subscriber is fully aware that the Note subscribed for hereunder has not been registered under the Securities Act of 1933, as amended (the "Act"), or under any applicable state securities law.
- (c) The Subscriber is acquiring the Note for his own account (or in such fiduciary capacity as is indicated) as principal for the Subscriber's investment and not with a view to resale or distribution.
- (d) Immediately prior to execution of this Agreement by the Subscriber, the Subscriber was able to bear the economic risk of the investment contemplated hereby, and either:
 - (i) The Subscriber had such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the prospective investment; or
 - (ii) The Subscriber and the Subscriber's purchaser representative together had such knowledge and experience in financial and business matters that they were capable of evaluating the merits and risks of the prospective investment.
- (e) The Subscriber (or the Subscriber's purchaser representative if the Subscriber has authorized such):
 - (i) acknowledges that the Club has given the Subscriber the opportunity to review the Club's distributed financial statements and form IRS Form 990EZ; and
 - (ii) has been given the opportunity to ask questions of, and receive answers from, the officers and board of the Club concerning the terms and conditions of the Offering and to obtain such additional information that the Club possesses or can acquire without unreasonable effort or expense that is necessary to verify the accuracy of the information that was otherwise provided, and the Subscriber has not been furnished any other offering literature or prospectus.
- (f) The Subscriber recognizes that purchase of the Note involves substantial risks and has taken full cognizance of and understands such risks. In deciding whether to purchase the Note subscribed for herein, the Subscriber has weighed these risks against the potential return.
- (g) Considering all relevant factors in the Subscriber's financial (and, if an individual, personal) circumstances, the Subscriber is able to bear the economic risk of the investment. The Subscriber has adequate means of providing for the Subscriber's current needs (and, if an individual, possible personal

contingencies) and has no need in the foreseeable future for liquidity of the investment in the Note. The Subscriber's financial responsibility, measured by net worth and after-tax income, is such that the subscription for and purchase of the Note hereunder is not material when compared to the Subscriber's total financial capacity.

- (h) The Subscriber has sought such accounting, legal and tax advice as the Subscriber has considered necessary to make an informed investment decision.
- (i) The Subscriber is aware that no federal or state agency has made any finding or determination as to the fairness of investment in the Note, nor any recommendation or endorsement of any such investment.
- (j) The Subscriber acknowledges that if a purchaser representative has been utilized by the Subscriber in evaluating the investment as contemplated hereby, the Subscriber has been advised by such purchaser representative as to the merits and risks of the investment in general and the suitability of the investment for the Subscriber in particular, and such purchaser representative has co-executed this Agreement.
- (k) The Subscriber has received, completed and returned to the Club Schedule A relating to the Subscriber's general ability to bear the risks of an investment in the Club and suitability as an investor in a private offering, and the Subscriber hereby affirms the correctness of the answers to Schedule A and all other written or oral information concerning the Subscriber's suitability provided to the Club by, or on behalf of, the Subscriber.
- (l) The Subscriber agrees to indemnify and hold harmless the Club and its affiliates from any liability, loss or expense (including reasonable attorney's fees, judgments, fines and amounts paid in settlement, payable as incurred) if the Subscriber, alone or with others, breaches any of the representations or warranties contained in this subscription offer.

1.6 Entity Representations. If this subscription is by a corporation, partnership, limited liability company, association, joint stock company, trust or unincorporated organization, such entity hereby represents that it was not organized for the purpose of acquiring the Note. If the Subscriber is a partnership, each partner of such partnership hereby represents that each representation by the Subscriber set forth herein is correct both as to the partnership and as if made by such partner personally.

1.7 Agent Representations. If this subscription is executed by a person acting in a representative capacity for a corporation or trust, or as an agent for any person or entity, such person represents that it has full authority to execute this Agreement in such capacity and on behalf of such corporation, trust, person or entity.

1.8 Survival of the Agreement. The subscription herein shall survive the death or disability of any Subscriber, and this Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of any such Subscriber. All pronouns

and any variation thereof used herein shall be deemed neuter, singular or plural as the identity of the Subscriber may require.

2. RESTRICTIONS ON TRANSFERS

2.1 Certificate Legends. Each Note shall be stamped or otherwise imprinted with a legend in the following form (in addition to any other legend required under applicable state securities laws or otherwise):

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATES. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

2.2 Transfers in Violation. Any sale, assignment, transfer, pledge, hypothecation, mortgage or disposition of the Note, by gift or otherwise, that is in violation of any provision of this Agreement shall be void and of no effect whatsoever, and shall not be recognized by the Club as transferring any interest in the Note.

3. CLUB REPRESENTATIONS

The Club makes the following representations and warranties with the express intention they be relied upon by the Subscriber in purchasing the Note.

3.1 Organization. The Club is duly incorporated, validly existing and in good standing under the laws of the State of New York, with full power and authority to conduct its business as it is currently being conducted and to own its assets.

3.2 Corporate Power. The Club has all requisite corporate power to execute and deliver this Agreement and the Note and to carry out and perform its obligations under the terms of this Agreement and the Note.

3.3 Authorization. All corporate action on the part of the Club, its directors and its members necessary for the authorization, execution, delivery and performance of this Agreement by the Club and the issuance and delivery of the Note has been taken or will be taken. This Agreement and the Note, when executed and delivered by the Club, shall constitute valid and binding obligations of the Club enforceable in accordance with their terms, subject to laws of general application relating to bankruptcy, insolvency, the relief of debtors and, with respect to rights to indemnity, subject to federal and state securities laws.

3.4 Compliance with Other Instruments. The execution, delivery and performance of this Agreement and the issuance and delivery of the Note will not result in any violation or be in conflict with or constitute a default under the Articles of Incorporation or Bylaws of the Club, any judgment, decree or order by which the Club is bound, any agreement to which the Club is a party or any statute, rule or regulation applicable to the Club or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any properties or assets of the Club.

4. MISCELLANEOUS PROVISIONS

4.1 Amendment. Neither this Agreement nor any of the terms or provisions hereof may be amended, modified, supplemented or waived except by a written instrument signed by both of the parties.

4.2 Binding Agreement. This Agreement is a binding obligation of the Subscriber and shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns. Except as otherwise expressly provided herein, neither this Agreement nor any of the parties' rights, interests or obligations hereunder may be assigned or otherwise transferred by either party without the prior written consent of the other party.

4.3 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to the conflicts of law provisions thereof.

4.4 Nondisclosure. The Subscriber expressly agrees to maintain any information disclosed to the Subscriber concerning the Club and its subsidiaries that is not otherwise contained in the Club's public reporting in confidence and shall not disclose the information to any other person.

SCHEDULE A - PURCHASER QUESTIONNAIRE

Name of Subscriber(s): _____

This Schedule is to be completed by each individual who has expressed an interest in purchasing a Promissory Note (the "Note") from Newport Yacht Club (the "Club"), as defined and described in the related Promissory Note Subscription Agreement. The purpose of this Schedule is to determine whether you meet the standards imposed by the Securities Act of 1933, as amended (the "Act"), since the Note has not been registered under the Act, and may be sold in reliance upon the exemptions provided thereunder.

Please contact Landy Atkinson (585-576-0084, atkinson@rochester.rr.com) if you have any questions in answering this Questionnaire.

The undersigned Subscriber represents and warrants to the Club that:

- (a) The information contained herein is complete and accurate and may be relied upon by the Club; and
- (b) The Subscriber will notify the Club immediately of any material change in any of such information occurring prior to the acceptance or rejection of the Subscriber's subscription for the Note.

Your answers will, at all times, be kept strictly confidential; however, each individual who agrees to purchase a Note hereby agrees that the Club may present this Schedule to such parties as it deems appropriate in order to ensure that the offer and sale of the Note to you will not result in violation of the exemption from the registration requirements under the Act which is being relied upon in connection with the sale of the Note.

A separate Schedule must be completed for each co-owner of a Note, except that spouses may complete a joint Schedule.

BIOGRAPHICAL INFORMATION

(If Joint Subscriber, provide information for both)

1. Name(s): _____ Birthdate _____
_____ Birthdate _____

2. State of Residence: _____

3. Employer or business association and position: _____

4. Home address and telephone number: _____

INVESTORS REPRESENTATIONS:

Initial any of the statements below that are true.

Initial ____ a. I certify that currently I am a director or officer of the Club. For purposes of this Questionnaire, "officer" means the commodore or other flag officer of the Club who performs a policy-making function, or any other person who performs similar policy making functions for the Club.

and/or

Initial ____ b. I further certify that my investment in the Club will not impose undue financial hardship and am able to bear the economic risk of the investment. I have adequate means of providing for my current needs (and, if an individual, possible personal contingencies) and have no need through the Term for liquidity of the investment in the Note.

and/or

Initial ____ c. I certify that I have individual income, including any income attributable to my spouse or personal savings of more than 10 times the value of Notes I am subscribing to in each of the two calendar years preceding the calendar year in which this Questionnaire is submitted, and I reasonably expect to have an individual income or personal savings that meets that standard during the current calendar year.

SIGNATURE PAGE

This page constitutes the signature page for INDIVIDUALS for the Promissory Note Subscription Agreement and Schedule A.

IN WITNESS WHEREOF, the Subscriber has executed the Promissory Note Subscription Agreement and Schedule A this ____ day of _____, 2021.

Signature of Investor _____ Date: _____
Print Name of Investor _____
Social Security Number of Investor _____

Signature of Spouse _____ Date: _____
Print Name of Spouse _____
Social Security Number of Spouse _____

Address: _____

PRINCIPAL AMOUNT OF PROMISSORY NOTE(S) SUBSCRIBED FOR:
{The Notes are being issued in increments of \$500, so enter a number that is a multiple of \$500, such as \$500, \$1500, \$3000, etc.}

AMOUNT OF PROMISSORY NOTE(S) SUBSCRIBED FOR: _____

Accepted by the Club,

Newport Yacht Club

By: _____

Name: Leland Atkinson

Title: Commodore

Dated: _____

EXHIBIT A - Form of PROMISSORY NOTE

Waterfront Improvement Promissory Note

Unit Amount \$500.00

Units Subscribed _____

August 15, 2021

FOR VALUE RECEIVED, the Newport Yacht Club of Rochester, New York, Incorporated, residing at 694 Seneca Road, Rochester, New York (“Guarantor”) promises to pay to _____, their heirs and assigns, the sum of FIVE HUNDRED (\$500.00) Dollars per Unit for _____ Units, a total of _____ (\$ _____ .00) together with interest at a rate of five and one half (5.5%) per annum. Payments to be amortized over a ten (10) year basis and payable on a yearly basis on the first day of October 2022, 2023, and so forth, with the last payment on October 1, 2032 as shown for a single unit in the amortization table, Appendix 1.

In the event of default of the payment of any of the installments due hereunder, the total principal balance then outstanding shall become due and payable at the option of the holders hereof. In the event the holders demand or accept partial payments on this note, such demand or acceptance shall not be deemed to constitute a waiver of the right to demand the payment of the entire unpaid balance of this note at any time when in default.

This note shall also become due and payable immediately upon the happening of the following events affecting Guarantor: insolvency or commission of any act of insolvency; filing of petition in bankruptcy, either voluntary or involuntary; institution of any proceedings under any bankruptcy or insolvency law or any laws relating to the relief of debtors; entry of judgement; appointment of receiver; issuance of a writ attachment, order of garnishment, execution or similar process; assignment, mortgage, pledge or disposition of significant assets or property of the Guarantor without the written consent of the holder hereof; or in the event the undersigned defaults in the performance of any other agreement with the holders or in the event holder in good faith deems the ability of the undersigned to perform the obligation evidenced by the note to be impaired for any reason.

If this note is placed in the hands of an attorney for settlement or action the undersigned hereby agrees to reimburse the holder for such reasonable attorney’s fees and cost of collection as the holder shall have paid or shall have become obligated to pay.

This note may not be assigned or transferred to any party except a spouse or child/children of the owner of the note except through their estate upon death.

Newport Yacht Club of Rochester, New York, Inc.

Leland Atkinson, Commodore

APPENDIX 1 - NYC 2021 Notes Payment Tables per Unit

Unit Size	\$	500		
Interest Rate		5.5%		
Term (years)		10		
Units Sold		200	240	280
Loan Amount	\$	100,000	\$ 120,000	\$ 140,000
Annual Payments per Unit		(\$66.33)	(\$66.33)	(\$66.33)
Total Annual Payments		(\$13,266.78)	(\$15,920.13)	(\$18,573.49)
Total Paid over Term		(\$132,667.77)	(\$159,201.32)	(\$185,734.88)
Total Interest Paid		(\$32,667.77)	(\$39,201.32)	(\$45,734.88)
Unit Amortization Table		Principal	Interest	Total
Year		PPMT	IPMT	PMT
1		(\$38.83)	(\$27.50)	(\$66.33)
2		(\$40.97)	(\$25.36)	(\$66.33)
3		(\$43.22)	(\$23.11)	(\$66.33)
4		(\$45.60)	(\$20.73)	(\$66.33)
5		(\$48.11)	(\$18.23)	(\$66.33)
6		(\$50.75)	(\$15.58)	(\$66.33)
7		(\$53.55)	(\$12.79)	(\$66.33)
8		(\$56.49)	(\$9.84)	(\$66.33)
9		(\$59.60)	(\$6.74)	(\$66.33)
10		(\$62.88)	(\$3.46)	(\$66.33)
Total		(\$500.00)	(\$163.34)	(\$663.34)