

CONSTITUTION OF THE HIGHLANDER CLASS INTERNATIONAL ASSOCIATION AS AMENDED AND RESTATED ON JULY 22, 2001

ARTICLE I - Name

The name of the organization shall be the Highlander Class International Association (the "Class").

ARTICLE II -Emblem

The Emblem of the Class and of vessels that are designated as "Highlanders" shall be a simplified presentation of the dancing Scotsman as drawn by Gordon K. Douglass registered as the "Dancing Scotsman" (Federal Registration Nos. 1,082,428 and 1,082,599, filed January 17, 1978).

ARTICLE III - Purposes and Powers

Classification. The Class is intended to be a nonprofit association.

Purposes. The Class is organized exclusively for charitable and educational purposes relating to the promotion and encouragement of recreational sailing and boating, including to promote Highlander Class racing under uniform rules, governed by the Class, and to maintain rigidly the one-design features of Highlander Class sloops, as designed by Gordon K. Douglass, and to exercise jurisdiction over all class activities and to enforce its Constitution, By-Laws, Rules and Specifications.

Powers. In furtherance of the purposes for which it is organized, the Class shall have all the powers granted by law.

Limitations of Powers and Purposes. All of the purposes and powers of the Class, its members, directors and officers are subject to the express conditions and limitations that:

(a) No part of the assets or net earnings of the Class shall inure to the benefit of any of its Directors, officers or other private persons; provided, that the Class shall not be precluded from paying reasonable compensation for services rendered to or for the Class and from making payments and distributions in furtherance of its purposes;

(b) No substantial part of the activities of the Class shall consist of carrying on propaganda or otherwise attempting to influence legislation, and the Class shall not participate or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any political party or candidate for public office; and

(c) The Class shall not engage in any acts or activities which are not in furtherance of its purposes or which would deprive it of recognition as an exempt organization within the meaning of the Internal Revenue Code of 1986, as amended,

Exemption Status. The Class shall operate entirely without profit to its members, Directors, Officers or other private individuals. No such person shall receive any pecuniary benefit from the Class, but the Class may pay such reasonable compensation for services actually rendered exclusively in furtherance of the Class's express purposes as set forth in Article III of the Articles of Incorporation. The members, directors and officers of the Class shall have no power or authority to do any act which might prevent the Class from being recognized at all times as an exempt organization described in the Internal Revenue Code of 1986 (or the corresponding provision of any future United States income tax law).

ARTICLE V - Members

The Class shall have members consisting of those persons who desire to participate in the construction, ownership, maintenance, sailing and racing of Highlander sailboats. The characteristic, qualifications, rights, limitations and classes of membership shall be set forth in the By-Laws of the Class.

ARTICLE VI - Removal From Membership

A member otherwise in good standing may be removed or suspended from membership for conduct detrimental to the Class by two-thirds vote of the members in attendance at an Annual or Special Meeting of the Members.

ARTICLE VII - Amendments

This Constitution may be amended at any time and from time to time by an affirmative vote of two-thirds of the members of the Class present in person or by proxy at any Annual or Special Meeting of the members; provided that the text of any proposed amendment shall have been distributed to such members at least thirty (30) days prior to the vote on such amendment. Amendments may be proposed for consideration at such meetings by the President, the Board of Directors or any three (3) members in good standing. This Constitution shall not be amended to deprive the Class of its status as a non-profit association.