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OF COUNSEL
THERON ROBINSON

May 5, 1981

Mrs. Pat Polidor
233 Winona Boulevard
Rochester, NY 14617

Dear Pat:

I am enclosing three notices to the membership of the Yacht Club in October, 1948, which mark an epochal moment in the Club's history which continued to reverberate until January, 1981, when the last of the tale was told.

In 1948, there were actually two organizations with slightly separate Boards of Directors operating the Yacht Club. The membership corporation, which still exists, was formed in 1877. For its first 25 years or so it moved from site to site. In 1902 (Bill Stolze, correct me if I'm wrong) it moved to the present site and in that year a separate corporation was formed under the then Business Corporations Statutes of the State of New York for the purpose of acquiring the present home. This was known as the Rochester Yacht Club Company and it was a stock corporation with a duration of 30 years. Every time the Club wished to fund a new land purchase or to erect buildings, the stock corporation sold more stock to finance it. However, the stock corporation was not created simply as a funding device. It was also created to remove the ownership of the tangible assets of the Club from the volatile "younger" element of the Club and vest it in the more conservative oldtimers. As long as there was substantial identity between stockholders and Club members, this was fine, but in 1932, the stock corporation went out of business by its own charter and there was no more activity with respect to it. The Club continued to march on, however.

The chickens came home to roost 3 years after the end of World War II, in 1948, with the "Claverhouse Corporation" affair.

The enclosed tells the story of the formation of Claverhouse completely and does not need embellishing. Boiled down to its simplest form, ten or fewer members of the Club purchased the Yacht Center property, called then the Rochester Boat Works, when the Directors of the

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Yacht Club itself could not agree on purchasing the property before an option expired. The issue was debated hotly and heavily with many members in favor of the proposition who wanted to do away with the deadhand control over the Club's assets of the Rochester Yacht Club Company and provide for future expansion. The proposal failed, however, when incoming Commodore, James G. Dale, (and my former law partner) urged people to vote against it on the ground that some means should be taken to dissolve the Yacht Club Company and take care of its stockholders and vest ownership of the property in the Yacht Club before the Club acquired new property. Needless to say, a golden opportunity was missed to acquire that property for the assumption of a mortgage totalling \$30,000. and no other cash outlay except maintenance.

The postlude came in three acts.

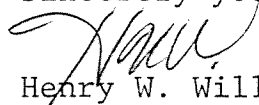
Shortly after the failure of the Claverhouse proposal, the Boat Works, or Yacht Center, property was sold to Chuck Angle, who ran a successful yacht center and boat designing and building establishment there until the mid-1960's, (I could be off on some of the dates or people involved) when it was acquired by the Ralph Brothers and became the Yacht Center.

Act 2 began in 1958. At that time, the Directors of the Club authorized the retention of an attorney to do away with the Rochester Yacht Club Company with the least fanfare and expense to the Club. The Club went to my former partner, Harlan Calkins, and he, in turn, came to me to take care of it as the junior associate at Harris, Beach, Keating, Wilcox and Dale. It took 2 years to liquidate the old stock corporation and vesting title to all of the property to the Club. It was done, basically, by subordinating the interests of the stockholders, who had been contributing for 30 years, to the interests of the creditors; chiefly, the Rochester Yacht Club itself. There is a complete history of all of the properties and the manner in which it was done in the Club safe. From that day to this, no stockholder of the old Company has ever made a fuss.

The last, and best remembered act, occurred in January, 1981, when the Directors, under the leadership of Commodore Stolze, at last acquired the Boat Works property, more than 30 years after they had a chance to acquire it originally.

I am sending copies of this letter to various members of the Club whose memory of this is better than mine.

Sincerely yours,



Henry W. Williams, Jr.

HWW, JR: JCS
Enc.

cc: Ritter Shumway

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cc: Joseph Ingerson
Wilmot Castle, Jr.
John Heinrich
William Stolze
Peter Woodams
Gordon Britton
Paul Schumacher