

April 5, 2012

Dear National Arts Club Member,

We believe that the adoption of the five amendments below will increase transparency and good governance at the National Arts Club.

The titles of the good governance amendments to the National Arts Club Constitution are as follows:

1. Move the Annual Meeting Date from May to September so that the Annual Financial Report for the year that Ends June 30 is Available for the Annual Meeting of the Members.
2. Distribution of the Annual Financial Reports to All Members before the Annual Meeting.
3. Prohibition on Tenants Serving on the Board of Governors.
4. Distribution of Membership List Upon Request.
5. New Nominating Procedures to Allow Candidates for the Board of Governors with at Least 50 Signatures.

Amendments Number 1 and 2 would insure all members receive the Clubs Annual Financial report each year before the Annual Meeting of Members.

Amendment Number 3 would end the inherent conflict existing between being on the Board of Governors while also being a tenant in the Club's residence building. Approval of this Amendment would not mean that tenants could not be extremely active in the Club and take on tasks that the Board approved.

Amendments 4 and 5, respectively, give members access to the membership list and open up the nominating process for Board of Governors.

The five proposed amendments have been submitted to the Board of Governors of the National Arts Club and will need to be passed by two-thirds of the Members at the Annual Meeting.

It is important to make your voice heard and have your individual votes on the good government amendments actually be counted. Our focus is solely on good governance and we are not running any alternative candidates for the Board of Governors. The attached new proxy form will replace the one you may have previously submitted and allows you to specify your vote on the five good governance amendments.

Please send this completed proxy form to **Pat Hackett, *Current Board Member*, National Arts Club, c/o Carlyle Capital, 600 Lexington Avenue, 10th Floor, New York, New York 10022.**

Sincerely,

Alan Boss, Sung Cho, Laurence Cutler, Judy Hamburg, Robin Hubbard, Marguerite Jossel (*Current Board Member*), Raul Katz, Pat Hackett (*Current Board Member*), Vincent A. Roberti, Eric R. Roper, Barbara Samuels, and William C. Samuels (*Former Board Member*)

GOOD GOVERNANCE AMENDMENT #1

Move the Annual Meeting Date from May to September so that the Annual Financial Report for the year that Ends June 30 is Available for the Annual Meeting of the Members

Whereas the financial year per the National Arts Club Constitution was changed from ending on March 31st of each year to June 30th of each year at the May 2nd, 2006 Annual Meeting; and

Whereas the Annual Meeting of the Members of the National Arts Club is still set in the Constitution for the first Tuesday of May of each year, weeks prior to when the financial year ends, which means the current annual financials are unavailable for review at the Annual Meeting of the Members; and

Whereas moving the Annual Meeting to September will permit the inspection and distribution of the annual year-end financials prior to the Annual Meeting of the Members;

Therefore be it resolved that Section VII Article 1 of the Constitution that sets the Annual Meeting date be amended to replace:

“the first Tuesday of May” with “the third Tuesday in September;” and

Be it finally resolved that this amendment take effect following the conclusion of the May Annual Meeting with a second Annual Meeting to be held on Tuesday, September 18th, 2012, where the annual financials for July 1, 2011 – June 30, 2012 can be reviewed and discussed with the members.

GOOD GOVERNANCE AMENDMENT #2

Distribution of the Annual Financial Reports to All Members before the Annual Meeting

Whereas members would like to be sent the audited year-end financial reports of the National Arts Club prior to providing their proxies for or attending the Annual Meeting of Members;

Therefore be it resolved that Section 2 Article 8 of the Constitution is amended with the addition of:

“The Annual Report of the National Arts Club prepared by the outside auditors, including but not limited to the detailed Profit and Loss Statement and the Balance Sheet with a comparison to the prior year, shall be distributed to the membership by physical or electronic mail at least two weeks prior to the Annual Meeting and be included with the Notice of the Annual Meeting of Members and the solicitation of proxies by any officer, employee or the Board of Governors;”

Be it finally resolved that this amendment take effect immediately.

GOOD GOVERNANCE AMENDMENT #3

Prohibition on Tenant Serving on the Board of Governors

Whereas historically officers and members of the Board of Governors have been tenants of the National Arts Club; and

Whereas the rental incomes from the apartments are a major source of funding for the National Arts Club's mission; and

Whereas there have been continuous questions raised relating to who may obtain a lease, how leases may be obtained, at what cost leases are granted, and how apartments are used, thereby creating general confusion, an appearance of impropriety, and potential legal problems; and

Whereas it is important to eliminate the appearance of impropriety or actual conflicts of interest for officers and members of the Board of Governors;

Therefore be it resolved that Section II Article 3 of the Constitution be amended to include the following language:

“No tenant of the National Arts Club, including their relatives or other related party or entity, shall be eligible to serve as a National Arts Club officer or Governor on the Board. Should any of the aforementioned be a tenant of the National Arts Club their seat or position shall be automatically declared vacant. In addition all future leases must be approved by the Board of Governors and only after receiving a true and accurate copy of the proposed lease;”

Be it finally resolved that this amendment take effect immediately.

GOOD GOVERNANCE AMENDMENT #4

Distribution of Membership List Upon Request by Members

Whereas New York State Not-for-Profit Law §621(b) requires that a membership list be available for inspection upon request of a member of a New York State Not-for-Profit such as this Corporation; and

Whereas the membership seeks to comply with New York State Law and avoid unnecessary legal costs;

Therefore be it resolved that Section IV is amended with the addition of Article 4 stating

“a) A list of all Members with their name, physical mailing address, electronic mail address, and phone number(s) shall be available at no cost upon request of any person who has been a member of record for at least six-months upon five days written demand, and

b)The list provided for under this Article may only be used for matters relating to the National Arts Club and may not be provided, sold, or used for other purposes;” and

Be it finally resolved that this amendment take effect immediately.

GOOD GOVERNANCE AMENDMENT #5

New Nominating Procedures to Allow Candidates for the Board of Governors with at Least 50 Signatures

Whereas candidates who wish to serve on the Board of Governors but are not selected by the Nominating Committee must currently obtain an onerous number of signatures from at least one-third of residents and non-residents, respectively,

Therefore be it resolved that Section VII Article 2 of the Constitution be amended to replace:

“signed by at least one-third of each of the following classes, Resident, and Non-Resident Members, respectively,” with
“signed by at least fifty (50) members whether Resident or Non-Resident;”

Be it finally resolved that this amendment take effect immediately.

Good Governance Amendments (please check Yes or No for each of the five):

- Yes No **#1.** Move the Annual Meeting Date from May to September so that the Annual Financial Report for the year that Ends June 30 is Available for the Annual Meeting of the Members
- Yes No **#2.** Distribution of the Annual Financial Reports to All Members before the Annual Meeting
- Yes No **#3.** Prohibition on Tenants Serving on the Board of Governors
- Yes No **#4.** Distribution of Membership List Upon Request
- Yes No **#5.** New Nominating Procedures to Allow Candidates for the Board of Governors with at Least 50 Signatures

Whether or not your plan to attend the meeting please sign the proxy below. fold and mail in the enclosed envelope.

PROXY

FOR THE NATIONAL ARTS CLUB ANNUAL MEETING
TUESDAY, MAY 1, 2012 AT 5:00 PM

The undersigned hereby appoint William C. Samuels and Pat Hackett or any one of them, to be my or our true and lawful attorney and proxy, revoking and replacing all others, at the annual meeting of the members of the National Arts Club to be held in the Clubhouse, 15 Gramercy Park South, New York, New York on Tuesday, May 1, 2012 at 5:00PM, and any adjournment or adjournments thereof, to vote in the name, place and stead of the undersigned in the election of governors who were nominated by them as the duly constituted Nominating Committee of the National Arts Club and to vote as specified above for the five good governance amendments.

Dated _____

Signature of Member _____

Print Name _____

Signature of Member _____

Print Name _____

Please date, sign, print your name(s) and return this proxy promptly in the enclosed envelope whether or not you plan to attend the meeting. If you attend, you will be able to vote personally.

Pat Hackett, Board Member
National Arts Club c/o Carlyle Capital
600 Lexington Avenue, 10th Floor
New York, New York 10022

In order to insure your votes are counted at the National Arts Club Annual Meeting of Members, you are urged to sign and return the enclosed good governance proxy immediately. Please **this proxy whether or not you plan to attend. If you attend the meeting, you may revoke your proxy and vote personally.**

To discuss these good governance amendments please come to a *Cocktail Reception and Buffet* at the Home of William Samuels, 18 East 18th St., Apt. 4E, New York, New York on *Wednesday, April 25 from 6:30PM to 8:30PM*. Please call 347-464-0695 or email wsamuels@newroosevelt.com to RSVP or with questions.

From Alan Boss, Sung Cho, Laurence Cutler, Judy Hamburg, Robin Hubbard, Marguerite Jossel (Current Board Member), Paul Katz, Pat Hackett (Current Board Member), Vincent A. Roberti, Eric R. Roper, Barbara Samuels, and William C. Samuels (Former Board Member)