

AMENDED AND RESTATED BYLAWS

OF

BAY HARBOR YACHT CLUB (a Michigan nonprofit corporation)

Effective as of September 1, 2001

HISTORY

- A. Bay Harbor Yacht Club (the “Club”) was incorporated in the State of Michigan as a nonprofit corporation under the Michigan Nonprofit Corporation Act (the “Act”) on June 8, 1995, in the name of “The Coastal Park Association at Bay Harbor.” The Club’s Articles of Incorporation were amended on August 28, 1998 to change the name of the Club to “Bay Harbor Yacht Club.”
- B. Bylaws for the Club were adopted by the Board of Directors of the Club at the time the Club was organized. Bay Harbor Company, L.L.C., pursuant to Section 10.1 of the former bylaws of the Club (the “Former Bylaws”), amended the Former Bylaws on May 1, 1999 and May 20, 1999. These Amended and Restated Bylaws (the “Bylaws”), having been approved by a majority vote of the membership of the Club, have been adopted as the bylaws of the Club, to be effective as of September 1, 2001. These Bylaws supercede and replace the bylaws in effect immediately prior to the adoption of these Bylaws. These Bylaws shall remain in effect until (i) they are amended or restated, or (ii) the Club is dissolved.

ARTICLE 1.

NAME AND PURPOSE

- 1.1. Name. The name of the Club is Bay Harbor Yacht Club.
- 1.2. Purpose. The purpose of the Club is to operate the Bay Harbor Yacht Club as a private yacht club for the benefit of its members (the “Members”), and their Immediate Family, guests and invitees.
- 1.3. Nonprofit Status. The Club will be operated as a nonprofit corporation exclusively for the purpose expressed in Section 1.2, and no part of the Club’s net earnings will be distributed to, or inure to the benefit of, any Member, Director, or other person. Upon the dissolution of the Club, the assets of the Club, after the payment of the Club’s liabilities, will be distributed to its Equity Members in accordance with Article 14.

- 1.4. Power and Authority. The Club will have all power and authority granted to nonprofit corporations under the Act.

ARTICLE 2.

OFFICES

- 2.1. Principal Office and Registered Office. The principal office and registered office of the Club shall be located at 4300 Vista Drive, Bay Harbor, Michigan 49770, or such other place as the Board of Directors shall from time to time determine.
- 2.2. Other Offices. The Club may have offices at such other places as the Board of Directors may from time to time determine.

ARTICLE 3.

BOARD OF DIRECTORS

- 3.1. Functions. Except as specifically provided in the Club's Articles of Incorporation or these Bylaws, all rights, powers, duties and responsibilities relative to the management and control of the Club's business, property, activities and affairs are vested in the Board of Directors. Except as otherwise provided herein, the Board shall have the sole and exclusive right to determine membership policies, the amount of fees, dues and assessments payable by the Members, and the rules and regulations pertaining to the use of the Club Facilities. However, the Board will not be permitted to sell, lease, or otherwise convey, assign, or transfer an interest in and to the Club Facilities (other than in the ordinary course of the business of operating the Club) or to levy an assessment for the acquisition or the installation of any capital improvements, without the consent of a majority of the Members. In addition to the power and authority expressly conferred upon it by these Bylaws and the Articles of Incorporation, the Board of Directors may take any lawful action on behalf of the Club which is not by law or by the Articles of Incorporation or by these Bylaws required to be taken by some other party. Directors shall refrain from voting on matters pertaining to their respective employment or compensation with the Club. The Board of Directors will approve all compensation decisions.
- 3.2. Number, Term and Eligibility.
- (a) The Board of Directors shall consist of from nine (9) to fifteen (15) members, as determined by the Board of Directors. Initially, with the passage of these Bylaws, (i) Bay Harbor Company, L.L.C. shall be entitled to appoint one (1) Director who shall serve a three (3) year term, and (ii) the Members of the Club shall elect to the Board eight (8) Members of the Club who shall serve as Directors. The two (2) Members receiving the greatest number of votes will each serve a three (3) year term. The three

(3) Members receiving the next greatest number of votes will each serve a two (2) year term. The three (3) Members receiving the least number of votes will each serve a one (1) year term. Successive Directors elected by the Members shall each serve a three (3) year term. In the event that the Board of Directors elects to increase the number of Directors above the nine (9), the provisions for the election of such additional Directors and their terms shall be determined by the Board of Directors.

(b) Notwithstanding the provisions of Section 3.2(a), the most recent past Commodore shall be deemed to have resigned any balance of the term for which he or she was elected pursuant to Section 3.2(a) effective as of the end of his or her term as President/Chairperson, and, in lieu thereof, he or she shall serve a special term of one (1) year as a Director commencing at the conclusion of his term as Commodore and ending on the date of the next Annual Meeting.

(c) Notwithstanding the provisions of Section 3.2(a), Directors elected after September 1, 2008 shall be eligible to serve for no more than two (2) successive terms only. A Director shall be eligible to be reelected after standing down from the Board for at least one year. This term limitation provision shall not take into account the then current terms of service of any person serving on the Board of Directors after a quorum is met at the Annual Meeting on September 1, 2008.

3.3. Volunteer Directors. All Directors shall be “volunteer directors” as that term is defined and used in Section 110(2) of the Act, as the statute may be amended from time to time, and such persons shall be entitled to the maximum protection and indemnification allowed to a “volunteer director” by law.

3.4. Meetings

(a) Regular Meetings. The Chairperson shall set the time for regular meetings of the Board. The Board of Directors shall meet at least four (4) times per year.

(b) Annual Meeting. The annual meeting of the Board of Directors of the Club shall be each Labor Day Monday, immediately following the annual meeting of the Members of the Club. The business to be transacted at the meeting shall be at the election of the Officers and such other business as is properly brought before the meeting. If the election of the positions specified above is not held on the day designated by the Chairperson for any annual meeting, or at any adjournment of that meeting, the Chairperson shall call a special meeting on a date and time as soon as possible thereafter. At the special meeting, the election of the positions specified above shall take place. The election and any other business

transacted shall have the same force and effect as if transacted at an annual meeting.

- (c) Special Meeting. Special meetings of the Board of Directors may be called by the Secretary of the Club upon the request of the Chairperson or by action of at least three (3) members of the Board of Directors. A special meeting shall be held at such time and to consider such matters as shall be designated in the notice of such meeting sent to all Directors pursuant to Section 3.5.
- (d) Participation in Meeting by Telephone. A Director may participate in a meeting by means of conference telephone or similar communications equipment provided that all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section constitutes presence in person at the meeting.
- (e) Location. Meetings of the Board of Directors shall be held at any place or places as may be designated by the Board of Directors.

- 3.5. Notice of Meetings. Written notice shall be given to the Directors at least ten (10) but not more than sixty (60) days prior to the annual meeting or any regular meeting of the Board of Directors. Special meetings of the Board of Directors shall be held pursuant to notice of the time, place and purpose thereof either delivered personally or sent by telephone, facsimile, telegraph or mail to each Director not less than seventy-two (72) hours prior to the meeting and if by telephone, confirmed in writing before or after the meeting. Notwithstanding the foregoing, no notice need be given to any person who submits a signed waiver of notice before or after a meeting, or who attends a meeting without protesting any lack of notice.
- 3.6. Resignation. A Director may resign by giving written notice to the Chairperson or Secretary of the Club. Unless otherwise specified in the resignation, the resignation shall take effect upon receipt by the Chairperson or Secretary, and the acceptance of the resignation shall not be necessary to make it effective.
- 3.7. Removal. Any Director may be removed at any time, with or without cause, by action of the Board of Directors.
- 3.8. Vacancies. Any vacancy on the Board of Directors shall be filled by action of the Board of Directors, which action may be taken by the Board of Directors at any meeting of the Board of Directors after the vacancy occurs, and such new Director shall serve for the unexpired term of the replaced Director.
- 3.9. Quorum. The presence of a majority of the total number of Directors then in office shall constitute a quorum for the transaction of business by the Board.

- 3.10. Voting. The vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless a greater vote is required by law, by the Articles of Incorporation or by these Bylaws. Each Director present shall have one vote.
- 3.11. Compensation of Directors. The Directors, as such, shall not be compensated for the performance of services for the Club but may, by action of the Board of Directors, be reimbursed for actual, reasonable and necessary expenses incurred in his or her capacity as a Director.
- 3.12. Adjourned Meetings. A majority of the Directors present, whether or not a quorum, may adjourn any meeting to another time and place.
- 3.13. Action By Written Consent. Any action required or permitted to be taken pursuant to authorized vote at any meeting of the Board of Directors may be taken without a meeting if, before or after the action, all members of the Board of Directors consent thereto in writing. Written consent shall be filed with the minutes of the proceedings of the Board. Such consent shall have the same effect as the vote of the Board for all purposes.
- 3.14. Leadership Council. An advisory committee, consisting of the three (3) most recent past Presidents/Chairpersons, to be known as the “Leadership Council” is hereby established, to make recommendations on policy matters to the Board of Directors, from time to time, and to offer advice, assistance, guidance, vision and support to the Board of Directors. The Chairman of the Leadership Council shall be the last serving President/Chairperson, or as otherwise decided by the Leadership Council. The Leadership Council shall be a non-voting entity and shall meet with the Board at least once a year prior to the Annual Meeting of the Board of Directors, and may make a report to the Board of Directors for consideration at its Annual Meeting, and shall otherwise meet and make recommendations to the Board of Directors, from time to time, as determined necessary or advisable by the Leadership Council.

ARTICLE 4.

OFFICERS

- 4.1. Officers. The Officers of the Club shall consist of at least a President/Chairperson, a Secretary and a Treasurer. Any two or more offices may be held by the same person but an Officer shall not execute, acknowledge or verify an instrument in more than one (1) capacity if the instrument is required by law or the Articles of Incorporation or these Bylaws to be executed, acknowledged or verified by two (2) or more Officers.

- 4.2. Eligibility. The Chairperson, Secretary, Treasurer, and any other Officers shall be nominated and elected only from among the Directors.
- 4.3. Term. All Officers shall serve for a one (1) year term with no limit as to the number of terms which may be served.
- 4.4. President/Chairperson. The President/Chairperson shall preside at all meetings of the Board of Directors. In the event that the President/Chairperson is unable to preside over any meeting of the Board of Directors, the President/Chairperson shall appoint another Director to preside over the meeting. Except as to the members of any committee whose appointment is otherwise specified in these Bylaws, the members of all committees shall be appointed by the President/Chairperson subject to approval by the Board of Directors. The President/Chairperson shall have such additional powers and perform such additional duties as shall from time to time be assigned by the Board of Directors.
- 4.5. Secretary. The Secretary shall (i) keep the minutes of all meetings of the Board of Directors in books provided for that purpose; (ii) sign, with the Chairperson, in the name of the Club, all contracts when authorized to do so; (iii) have charge of such books and papers as the Board of Directors shall direct; (iv) in general perform all of the duties incident to the office of Secretary; and (v) have such additional powers and perform such additional duties as shall from time to time be assigned by the Board of Directors.
- 4.6. Treasurer. The Treasurer shall be responsible for (i) the care and custody of all the funds and securities of the Club; (ii) endorsing checks, notes and other obligations for collection on behalf of the Club; (iii) depositing such checks, notes and securities to the credit of the Club in such bank or banks or depository or depositories as the Board of Directors may designate; (iv) signing all receipts and vouchers for payments made to the Club; (v) entering or causing to be entered regularly in the books of the Club kept for that purpose, full and accurate accounts of all moneys received and paid on account of the Club and rendering statements of such accounts whenever required by the Board of Directors; and (vi) generally performing all of the duties incident to the office of Treasurer. The Treasurer may assign any one (1) or more of such powers or duties to any Assistant Treasurer. The Treasurer shall have such additional powers and perform such additional duties as shall from time to time be assigned by the Board of Directors.
- 4.7. Appointive Officers and Agents. The Board of Directors may appoint such Officers and agents in addition to those provided for in this Article 4, as may be deemed necessary, who shall have such authority and perform such duties as shall from time to time be prescribed by the Board of Directors.
- 4.8. General Manager. In addition to the Officers of the Club, the Board of Directors shall designate a person to serve as the General Manager of the Club. The General Manager, who may be a Member of the Club but will not be required to

be a Member, will report to and serve at the pleasure of the Board of Directors. The General Manager will be responsible for the day to day management of all operations of the Club and will be charged with responsibility for taking actions necessary or desirable to assure the enjoyment and satisfaction of Members with the Club.

- 4.9. Compensation of Officers. All Officers, as such, shall be “nondirector volunteers” as the term is defined and used in Section 4.10 and shall not be compensated for the performance of services for the Club, but may, by action of the Board of Directors, be reimbursed for actual, reasonable and necessary expenses incurred in his or her capacity as an Officer.
- 4.10. Nondirector Volunteers. Any person who is identified as being a “nondirector volunteer” in these Bylaws or otherwise shall be a “nondirector volunteer” as that term is defined and used in Section 108(2) of the Act, as the statute may be amended from time to time, and such persons shall be entitled to the maximum protection and indemnification allowed to a “nondirector volunteer” by law.
- 4.11. Officer Protection. All Officers, as such, shall be entitled to the maximum protection and indemnification allowed to such persons by law.
- 4.12. Removal. Any Officer may be removed at any time, with or without cause, by action of the Board of Directors.
- 4.13. Vacancies. Any vacancy of any Officer position may be filled by action of the Board of Directors and such new Officer shall serve for the unexpired term of the replaced Officer.
- 4.14. Action By Written Consent. Any action required or permitted to be taken pursuant to authorized vote at any committee or subcommittee meeting may be taken without a meeting if, before or after the action, all members of the committee or subcommittee consent thereto in writing. Written consent shall be filed with the minutes of the proceedings of the committee or subcommittee. Such consent shall have the same effect as the vote of the committee or subcommittee for all purposes.
- 4.15. Contracts. The Board of Directors may authorize any Officer or Officers, or agent or agents of the Club, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Club, and such authority may be general or confined to specific instances.
- 4.16. Checks, Drafts or Orders for Payment. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Club shall be signed by such Officer or Officers, or agent or agents, of the Club and in such manner as shall from time to time be determined by resolution

of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the President and countersigned by the Treasurer of the Club, *except* where the amount of the instrument is less than \$10,000, in which case the signature of either the President, the Treasurer or the General Manager will be sufficient.

- 4.17. Deposits. All funds of the Club will be deposited from time to time to the credit of the Club in such banks, trust companies or other depositories as the Board of Directors may select.
- 4.18. Investments. The Club will have the right to retain all or any part of any property, real, personal, tangible or intangible, acquired by it in whatever manner, and pursuant to the direction and judgment of the Board of Directors, to invest and reinvest any funds held by it, provided, however, that no action will be taken by or on behalf of the Club is such action would result in denial or revocation of the Club's exemption from federal income taxation under the Internal Revenue Code and its regulations.

ARTICLE 5.

COMMITTEES

- 5.1. Nominating Committee. A Nominating Committee shall be appointed by the Board of Directors prior to the Annual Meeting of the membership each year and shall consist of the most current and two most immediate past Commodores and three Members at large. The Nominating Committee will present by nomination a slate of candidates to the Board of Directors for its approval and presentation to the membership at the Annual Meeting.
- 5.2. Other Committees. The Board of Directors may designate standing committees (which are authorized by an indefinite time) with such duties and powers as it may provide in order to carry out the programs and purposes of the Club. Additionally, the Chairperson may designate one or more ad hoc committees (which are authorized for only a limited time) with such duties and powers as he or she may provide in order to carry out the programs and purposes of the Club.
- 5.3. Nondirector Volunteers. All individuals who serve in any capacity on, or perform any functions for any committee established in these Bylaws or on any standing or ad hoc committee or any subcommittee of the Club, as such, shall be "nondirector volunteers" as the term is defined and used in Section 4.10.

ARTICLE 6.

MEMBERSHIP

- 6.1. Members. The Club shall have Members who will be permitted to use the Club Facilities, subject to the terms of these Bylaws and the House Rules of the Club.
- 6.2. Eligibility for Membership. Membership in the Club is available by invitation only and is available only to Eligible Persons, as defined herein. Any Eligible Person may submit to the Club an application for membership. After receiving an application for membership from an Eligible Person, the Club shall determine whether to accept that Eligible Person to be a Member of the Club. The Club has the exclusive right to determine whether to grant membership in the Club to an Eligible Person. If the Club accepts the application for membership of an Eligible Person to be a Member of the Club, and if that Eligible Person pays to the Club the Initiation Fee for membership upon closing of their property, the Eligible Person will be a Member of the Club. There shall be only one (1) Member per membership; membership shall not be issued in joint names. Persons must own a minimum of one (1) full share in the Inn at Bay Harbor to be eligible for membership in the Club.
- 6.3. Mandatory Membership. As set forth in the Master Deeds, purchasers of certain Properties in Bay Harbor must submit an application for membership with the purchase agreement for the acquisition of the Property. Such Properties presently include, without limitation, the Bay Harbor Yacht Docks, and the condominium units in The Preserve, The Preserve South, The Woods at Bay Harbor, Bay Ridge, Quarry Bluffs, Quarry Ridge, Coastal Cliffs, Coastal Park, Coastal Ridge, The Pines, Coastal Woods, WildWinds, The Shores, The Shores II, Harbor Homes, Harborside, The Vistas I, The Vistas II, The Vistas III, The Cliffs at Bay Harbor, Harborview Ridge, Bluffs, Cottages, Hills Cottages, Lakeshore Village, Quarry View, Quarry Creek, Quarry Dunes, Cedar Park and the Marina District, and shall also include Properties in such other areas which may be designated by the Board of Directors. If the purchaser of any of these Properties is not a Person, then that purchaser must designate a Person who is a shareholder, officer, director, member, partner, trustee or beneficiary, as the case may be, of that entity, and that designated Person shall be the Eligible Person for membership purposes.
- 6.4. Membership Cards. A membership card indicating the Member's name, Club Account number, type of membership, and containing the name of the authorized user (the "Membership Card") shall be issued to each Member, and to the Spouse and Children of such Member.
- 6.5. Ownership. Each membership will vest in and be owned by the Person whose name is recorded as a Member on the Membership Agreement and in the membership records of the Club. Other than as provided for in Section 9.6, no other Person, including, but not limited to, the Spouse, former Spouse, heirs,

successors, representatives or assigns of a Member, will have any rights of ownership in such Member's membership.

- 6.6. Number of Members. No more than sixty (60) Founding Memberships shall be issued. During any particular Membership Year, the number of Persons who may be Annual Members may not exceed thirty-five (35). The number of Honorary Members at any particular time shall not exceed ten (10). The number of Non-resident Members shall not exceed twenty (20). The Board of Directors may, in its sole discretion, (i) increase or decrease the maximum numbers of memberships allowed in the above-listed categories, (ii) establish maximum numbers of memberships allowed in other membership categories, and (iii) may establish minimum and/or maximum limitations on the total number of memberships available in the Club.
- 6.7. Waiting List. If at any time the number of Members in the Club is the maximum number of members then permitted, the Club will establish a waiting list for membership. Purchasers of Property shall have priority over other individuals on the waiting list.

ARTICLE 7.

MEMBERSHIP CATEGORIES

- 7.1. Membership Categories. Memberships shall be available only in the membership categories set forth in this Article 7. The Club shall have the right to discontinue offering categories of membership and to create additional categories or classes of membership from time to time conferring such rights and privileges and imposing such obligations as it deems appropriate, and to prescribe the qualifications and requirements for membership in any such class or category.
- (a) Regular Membership. Any Eligible Person who is the record owner of Property within Bay Harbor and who has been invited to join the club shall be eligible to apply for a Regular Membership. A Regular Membership is a reissuable membership which entitles the Member, and the Member's Spouse and unmarried Children under the age of twenty-four, to the following benefits, and which is subject to the following obligations:
- (i) Use of Club Facilities. Full use of all Club Facilities for the Member, and the Member's Spouse and Children;
- (ii) Reissuance Privileges. Reissuance privileges as set forth in Section 9.7;

- (iii) Refund of Initiation Fee. Upon the reissuance of the Regular Membership, Regular members are entitled to receive a refund of a portion of the Initiation Fee as set forth in Section 9.8;
 - (iv) Voting Rights. Each Regular Member shall be entitled to one (1) vote on all matters brought for a vote before the membership;
 - (v) Charging Privileges. Regular Members may charge all purchases of food, beverages, merchandise and other amenities; and
 - (vi) Dues, Minimums and Assessments. Regular Members are required to pay dues, and are subject to spending minimums and assessments, as determined by the Board of Directors.
- (b) Founding Membership. Any Regular Member shall be eligible too apply for a Founding Membership. A Founding Membership entitles the Member, and the Member's Spouse and Children, to all of the benefits of Regular Membership, and is subject to all of the obligations of Regular Membership, plus the following additional benefits and obligations:
- (i) Founder's Fee. A Regular Member must pay a non-refundable fee referred to as the "Founder's Fee," in an amount established in the discretion of the Club, as a condition precedent to Founding Membership;
 - (ii) Dues, Minimums and Assessments. Founding Members are not required to pay dues and are not subject to spending minimums; however, Founding Members are subject to operational and capital assessments as provided in Section 10.5;
 - (iii) Discount on Goods and Services. Founding Members shall receive twenty percent (20%) off the published price (not sale or discount prices) on all charges at the Club, including, but not limited to, food, beverage, merchandise and services, but excluding the charges incurred for parties, special events, and groups of more than twelve (12) for dining;
 - (iv) Transfer Privileges Upon Death. After the death of the Founding Member and Spouse, the Founding Membership may pass to one (1) named child, grandchild or other heir of the Founding Member by will or other devise, in connection with the transfer of the underlying Property to that child, grandchild or other heir. Founding Member must name their heir at the time of upgrading to a Founding Membership. All of the benefits and obligations of the Founding Membership shall pass to that child, grandchild or other heir. The Founding Membership shall terminate upon the earlier

of (i) the subsequent sale of the Property by that child, grandchild or other heir, or (ii) the death of that child, grandchild or other heir;

(v) Transfer Privileges Upon Sale of Property. Upon the sale of a Founding Member's Property, the Founding Member may either (i) retain the Founding Membership, or (ii) request that the membership be reissued as a Regular Membership to the purchaser of the Property, in which event the Founding Member shall receive a refund in an amount established by the Board of Directors, such amount not to be less than twenty percent (20%) of the Initiation Fee paid by the new Member for the membership. If a Founding Member chooses option (ii) above, the Founding Membership terminates upon the reissuance of the membership to the new Member; and

(vi) Other than as provided in subparagraphs (iv) and (v) above, Founding Memberships are not transferable.

(c) Legacy Membership. Legacy Membership is available to the adult children and grandchildren of Regular or Founding Members. Legacy Memberships are annual memberships that require the payment of a nonrefundable annual fee, in an amount established in the discretion of the Club. Legacy Memberships are Non-Equity Memberships that may be terminated by the Club at any time, in the sole discretion of the Club. The number of Legacy Memberships available in the Club shall be determined by the Board of Directors. If the parents (or grandparents, as applicable) of a Legacy Member sell their Property, the Legacy Membership shall terminate. If a Legacy Member purchases Property, the Regular Membership may be purchased by the Legacy Member for the Initiation Fee in effect at the time the Legacy Membership was initially purchased. A Legacy Membership is a recallable, nontransferable membership which entitles the Member, and the Member's Spouse and Children, to the following benefits, and which is subject to the following obligations:

(i) Use of Club Facilities. Full use of all Club Facilities for the Member, and the Member's Spouse and Children;

(ii) No Reissuance Privileges. Legacy Memberships have no reissuance privileges;

(iii) No Refund of Annual Fee. Legacy Members are not entitled to receive a refund of any portion of the nonrefundable annual fee, even in the event that the membership is recalled;

(iv) Voting Rights. Legacy Members are annually entitled to appoint and designate one (1) Legacy Member to be the Legacy Member representative who shall be entitled to exercise one (1) vote on all

matters brought for a vote before the membership. The Legacy Member representative shall be appointed prior to the annual meeting of the Members each year, and the Legacy Member representative shall notify the Club of the appointment;

- (v) Charging Privileges. Legacy Members may charge all purchases of food, beverages, merchandise and other amenities; and
 - (vi) Dues, Minimums and Assessments. Other than the payment of the nonrefundable annual fee, Legacy Members are not required to pay dues, and are not subject to spending minimums or assessments.
- (d) Invitational Membership. If any particular Property is owned by more than one Person and if one of those Persons is a Member, the Club may in its sole discretion at any time and from time to time invite one or more of the other Persons who own that particular Property (but not the Spouse of a Member or any other members of the Immediate Family of a Member) to apply for membership in the Club according to the terms and conditions of these Bylaws. Invitational Membership is tied to the ownership of Property; in the event that the Property is sold, the Invitational Membership shall terminate, subject to a refund of the applicable Initiation Fee paid by such Member, as provided in subparagraph (ii) below. Invitational Memberships are also recallable at any time at the discretion of the Club. In the event that an Invitational Membership is recalled, it shall be deemed to have been terminated as of the last day of that Membership Year, and in this event, the Club shall pay to that Invitational Member eighty percent (80%) of the then current Initiation Fee for Invitational Membership. Invitational Membership entitles the Member, and the Member's Spouse and Children to the following benefits, subject to the following obligations:
- (i) Use of Club Facilities. Full use of all Club Facilities for the Member, and the Member's Spouse and Children;
 - (ii) Refund of Initiation Fee. If an Invitational Membership is terminated by sale of the Property to which it is tied, the Club shall refund to that Invitational Member the same percentage of the then current Initiation Fee as is then applicable to Regular Members, to be paid pursuant to Section 9.8(c). Except as provided in this subparagraph for an Invitational Membership that is terminated by sale of the Property to which it is tied, and except as provided in paragraph (d) above for recalled Invitational Memberships, there shall be no refund of an Initiation Fee paid by an Invitational Member.

- (iii) Voting Rights. Invitational Members are annually entitled to appoint and designate one (1) Invitational Member to be the Invitational Member representative who shall be entitled to exercise one (1) vote on all matters brought for a vote before the membership. The Invitational Member representative shall be appointed prior to the annual meeting of the Members each year, and the Invitational Member representative shall notify the Club of the appointment;
 - (iv) Charging Privileges. Invitational Members may charge all purchases of food, beverages, merchandise and other amenities; and
 - (v) Dues, Minimums and Assessments. Invitational Members are required to pay dues, and are subject to spending minimums and assessments.
- (e) Annual Membership. At any time and from time to time, the Club may permit a Person who has a connection with Bay Harbor (including but not limited to Persons leasing property in Bay Harbor) to submit an application for an Annual Membership in the Club. The Club has the exclusive right to determine whether to invite a Person to be an Annual Member of the Club. An Annual Membership is a Non-Equity Membership that is recallable and nontransferable, which entitles the Member, and the Member's Spouse and Children, to the following benefits, and which are subject to the following obligations:
- (i) Use of Club Facilities. Full use of all Club Facilities for the Member, and the Member's Spouse and Children;
 - (ii) No Reissuance Privileges. Annual Memberships have no reissuance privileges;
 - (iii) No Refund of Initiation Fee. Annual Members are not entitled to receive a refund of any portion of the Initiation Fee, even in the event that the membership is recalled;
 - (iv) Voting Rights. Annual Members are annually entitled to appoint and designate one (1) Annual Member to be the Annual Member representative who shall be entitled to exercise one (1) vote on all matters brought for a vote before the membership. The Annual Member representative shall be appointed prior to the annual meeting of the Members each year, and the Annual Member representative shall notify the Club of the appointment;

- (v) Charging Privileges. Annual Members may charge all purchases of food, beverages, merchandise and other amenities;
 - (vi) Dues, Minimums and Assessments. Annual Members are required to pay dues, and are subject to spending minimums or assessments;
 - (vii) Limit on term of Annual Memberships. An Annual Membership shall not be renewed more than once;
 - (viii) Credit toward Initiation Fee if Regular Membership Purchased.
If an Annual Member purchases Property, an application for a Regular Membership must be made, but a credit toward the Initiation Fee of the amount of the Annual Membership Initiation Fee paid will be issued by the Club.
- (f) Honorary Founding Membership. Three (3) individuals shall be named as Honorary Founding Members: David V. Johnson, William T. McCormick, Jr. and Rodger A. Kershner. Honorary Founding Membership is closed to all but these three (3) individuals. Honorary Founding Membership entitles the Honorary Founding Member, the Member's Spouse, and the Member's Children, subject to the current House Rules and Bylaws, to full use of all Club Facilities. Honorary Founding Members shall not pay Initiation Fees or dues and are not subject to assessments or spending minimums. Honorary Founding Memberships are not transferable or assignable, and shall terminate upon the death of the Honorary Founding Member. Honorary Founding Memberships are Non-Equity Memberships and Honorary Founding Members are not entitled to any refund of Initiation Fees or to a share of any assets remaining upon dissolution and liquidation of the Club. Each Honorary Founding Member shall be entitled to one (1) vote on all matters brought for a vote before the membership.
- (g) Honorary Membership. On rare occasion, the Club may invite certain Persons selected by the Club to become Honorary Members of the Club. The privileges and obligations of an Honorary Member shall be determined by the Board of Directors in their sole discretion. Honorary Members shall not be required to pay the Initiation Fee or to pay any annual dues. Honorary Memberships may not be reissued.
- (h) Corporate Membership. It is the policy of the Club that Members must be natural persons; however, at the discretion of the Board of Directors, the Club may admit a corporation, partnership, limited liability company, trust or other entity (the "Authorized Entity") for membership in the Club. Corporate Memberships are nontransferable and nonrefundable memberships which are issued in the name of an Authorized Entity. Corporate Memberships are Non-Equity Memberships and Corporate

Members are not entitled to any refund of Initiation Fees or to a share of any assets remaining upon dissolution and liquidation of the Club. The Authorized Entity shall name up to five (5) individuals who are owners, officers, directors or bona fide employees of the Authorized Entity who are, subject to approval by the Club, entitled to use the membership (the "Designees"). Each officer, director, owner or bona fide employee of the Authorized Entity who owns Property must maintain a Regular Membership in the Club and may not replace their Regular Membership with Designee status under a Corporate Membership. Other than as set forth herein, Corporate Membership entitles each Designee, and each Designee's Spouse and Children, to the following benefits, subject to the following obligations, conditions and restrictions:

- (i) Use of Club Facilities. Full use of all Club Facilities for the Member, and the Member's Spouse and Children;
- (ii) No Reissuance Privileges. Other than as set forth herein, Corporate Memberships have no reissuance privileges;
- (iii) No Refund of Initiation Fee. Corporate Members, including the Authorized Entity and its Designees, are not entitled to receive a refund of any portion of the Initiation Fee;
- (iv) Voting Rights. Corporate Members are annually entitled to appoint and designate one (1) Designee named under a Corporate Membership to be the Corporate Member representative who shall be entitled to exercise one (1) vote on all matters brought for a vote before the membership. The Corporate Member representative shall be appointed prior to the annual meeting of the Members each year, and the Corporate Member representative shall notify the Club of the appointment;
- (v) Charging Privileges. Designees may charge all purchases of food, beverages, merchandise and other amenities;
- (vi) Dues, Minimums and Assessments. Designees are required to pay dues, and are subject to spending minimums; however, Corporate Members, including the Authorized Entity and its Designees, are not subject to assessments;
- (vii) Change of Designee. The name of a Designee may be changed to another individual, subject to approval by the Club, upon payment to the Club of the change of designee fee. Changes are limited to once per calendar year. It is the Club's intent that the Authorized Entity holding the Corporate Membership shall name, as Designees, only bona fide employees, owners, directors or officers

of the Authorized Entity. Each Designee must complete a membership application and be approved for membership by the Club. Upon the termination of a Designee's employment by the Authorized Entity, the Designee's privileges of membership shall cease. The purchase of a Corporate Membership, the specification of the initial Designee(s), and any subsequent change of Designee(s) must be authorized in writing by an officer or director of the Authorized Entity;

- (viii) Authorized Entity. An "Authorized Entity" is a corporation or other entity which is duly organized under the laws of any State, authorized to transact business in the State of Michigan, in good standing pursuant to the statutory regulations promulgated by the State of Michigan and has obtained a Federal Identification Number for such corporation and provided same to the Club; and
- (ix) Joint and Several Liability. Dues are required for each Designee under the Corporate Membership. The Designee and the Authorized Entity holding the Corporate Membership are jointly and severally responsible for all debts and charges incurred by such Designee. All billing related to such membership will be mailed directly to the Designee. In the event that there is an interim period during a change of Designee wherein there is no specified Designee entitled to use the Corporate Membership, the Authorized Entity shall be liable for all dues and other charges accruing under the membership, and billing for such shall be mailed directly to the Authorized Entity.
- (i) Non-Resident Membership. Non-resident membership is available to a Person who does not own property in Bay Harbor. Non-resident Memberships are subject to the following conditions.
 - (i) Limit on Number of Non-resident Members. As provided in Section 6.6, the number of Non-resident Members at any particular time shall not exceed twenty (20). Non-resident memberships will be offered only during the period from 2008 up to and including 2011.
 - (ii) Nomination for Non-resident Membership. An Applicant for Non-resident membership must be nominated for Membership by a Member in good standing.
 - (iii) Use of Club Facilities. A Non-resident Member, and the Member's Spouse and Children shall have full use of all Club Facilities.

- (iv) Initiation Fee. The Initiation Fee for a Non-resident Member shall be \$100,000.
- (v) No Refund of Initiation Fee. On termination of membership, there shall be no refund of the Initiation Fee.
- (vi) Voting Rights. Non-resident Members shall collectively entitled to one (1) vote toward all matters brought for a vote before the Membership, as determined by majority vote of the Non-resident Members.
- (vii) Charging Privileges. Non-resident Members may charge all purchases of food, beverages, merchandise and other amenities.
- (viii) Dues, Minimums and Assessments. Non-resident Members are required to pay dues, and are subject to spending minimums and assessments.
- (ix) Non-transferable, Termination and Resignation. A Non-resident membership is non-transferable except to the spouse of the Non-resident Member, and terminates upon (i) the death of the Non-Resident Member (unless the Non-resident membership is devised to the spouse of the Non-resident member); or (ii) upon the written resignation of the Non-Resident Member.
- (j) Non-Equity Membership. Three (3) Non-Equity Memberships were previously established by the Board of Directors. Non-Equity Members have identical rights and privileges as Regular Members, except that Non-Equity Members do not have reissuance privileges under Section 9.7, or any rights under Section 9.8. Non-Equity Memberships are not transferable. No new Non-Equity Memberships will be created.

ARTICLE 8.

MEMBERSHIP SELECTION

- 8.1. Application for Membership. Once invited to join the Club, all applicants for membership must complete an application form, referred to as the Membership Agreement, and submit same to Club for consideration and review. The application form shall request the following information:
- (a) The name and address of the applicant;
 - (b) Information regarding the applicant's business;
 - (c) The membership category for which the applicant is applying;

- (d) The name(s) of applicant's sponsors (existing Club Members); and
- (e) Other information as the Club considers appropriate.

8.2. Initiation Fee. All applications for membership must be accompanied by an Initiation Fee in the amount established by the Club for the category of membership specified on the application.

8.3. Screening of Applicants. The Club will evaluate all applicants. Evaluations will be conducted with the intent and purpose of securing the optimum number of Members with compatible character, social, vocational and professional attainment from all segments of the community. All applicants will be evaluated on the basis of:

- (a) Interest of the applicant in becoming a Member of the Club;
- (b) Compatibility of the applicant with other Members; and
- (c) Financial responsibility of the applicant.

All evaluations shall be made without regard to race, color, national origin, sex, religious preference, creed, or any disabilities of the applicant.

8.4. Acceptance of Application. If a decision is made to accept an application, the Club shall notify the applicant and will furnish the applicant with a copy of these Bylaws and the House Rules. If the class of membership to which the applicant applied is not available, upon the applicant's subscribing to these Bylaws and the House Rules, on behalf of the applicant, and the applicant's Spouse, Children and guests, the applicant shall pay all amounts required and be placed on a waiting list for the appropriate membership class as set forth in these Bylaws. If the class of membership to which the applicant applied is available, upon the applicant's subscribing to these Bylaws and the House Rules, on behalf of the applicant, and the applicant's Spouse, Children and guests, the applicant shall pay all amounts required and shall be entitled to the rights, privileges and obligations of the membership category chosen. Any applicant whose application is accepted who does not comply with the foregoing requirements within one (1) month from the time the application is received by the Club, the application shall be tabled until all requirements are met.

8.5. Declination of Application. The Club may accept or reject any applicant in its discretion. The basis for such decision shall be confidential and shall remain confidential at all times. All decisions made by the Club with regard to any application shall be final. If an applicant has been considered for membership and the applicant's application is denied, the Club shall notify the applicant of such decision, and the Initiation Fee submitted by such applicant shall be fully

refunded. The applicant may not be further considered for membership in the Club for a period ending three (3) years following the declination.

ARTICLE 9

MEMBERSHIP POLICIES

- 9.1. Use of Club Facilities. Members have the right to use the Club Facilities in accordance with these Bylaws and the House Rules. A Member's Immediate Family is permitted reasonable use of the Club Facilities. The Club reserves the right to restrict or terminate the right of any particular member of a Member's Immediate Family if the Club determines, in its discretion, that the use of the Club Facilities by that individual is not reasonable. The use of the Club Facilities by accompanied guests of Members is permitted in accordance with the House Rules, subject to the payment of applicable fees.
- 9.2. Applicability of Bylaws and House Rules. These Bylaws and the House Rules apply to all Members, and to each Member's Spouse, Children, and guests.
- 9.3. Leave of Absence. A leave of absence or inactive status may be granted at the discretion of the Board of Directors in the event that a Member must be out of the country for a period of one (1) year or more, or in other extreme or unusual circumstances. During any leave of absence granted, the Member shall pay reduced dues, shall have no usage rights, and must repay all assessments levied during the leave of absence period prior to the reinstatement of the membership.
- 9.4. Upgrade of Membership. From the effective date of these Bylaws until such time as sixty (60) Founding Memberships have been sold, any existing Regular Member shall be permitted to upgrade their membership to a Founding Membership by filing an application with the Club, together with payment of the Founder's Fee.
- 9.5. Disputes. With regard to any claim or dispute about the ownership of a membership, the Club shall be entitled to rely on the Membership Agreement and may confirm ownership of that membership in the name of the person listed on the Membership Agreement. The Club will not become involved in any domestic or other dispute concerning ownership or issuance of a membership and does not have any liability or responsibility for the resolution of such disputes. The membership is not divisible upon divorce.
- 9.6. Disposition of Membership Interest.
 - (a) Except as provided in these Bylaws, no Membership Interest may be sold, assigned, transferred, pledged, encumbered or otherwise conveyed by a Member (including without limitation the conveyance of a Membership

Interest to the purchaser of the Property owned by a Member) and a Membership Interest may not be terminated by a Member.

- (b) If a Member sells (including without limitation by land contract), transfers, or otherwise conveys the Property owned by the Member, the Membership Interest of that Member will be terminated, provided, at the request of the Member, and subject to approval of the Board, the Membership Interest of the Member may be extended for one (1) year, and subject to subsequent approval of the Board, may be continued for one (1) additional year, only. As a condition precedent to approving such extension, the Person acquiring the Property owned by the transferring Member must apply for membership in the Club in accordance with Article 8, be admitted to membership, and pay the then current Initiation Fee.
- (c) If a Member fails to comply with the terms of these Bylaws or the House Rules (including without limitation the failure to pay any fees, dues or assessments payable under these Bylaws or the House Rules, that Member shall be in default; and in the event of a default, the Club may suspend all rights and privileges of the membership, including, but not limited to, (i) the right of the Member, and the Spouse, Children and guests of the Member, to use the Club Facilities, (ii) the right to reissuance of the membership as set forth in Section 9.7, and (iii) the right to refunds as set forth in Section 9.8.
- (d) If the rights and privileges of a membership are suspended under Section 9.6(c), all dues, minimums and assessments under the membership will continue to accrue; the Club Account must be brought current in order to reinstate the privileges of membership.
- (e) If a Member dies and is survived by a Spouse, and the Member's property is devised to that Spouse, or the Spouse takes the Property as joint owner thereof by operation of law, the Spouse will be deemed to be the Member and take all rights, duties and responsibilities associated with the deceased Member's membership. If the Member's Spouse is deceased, and the Member is survived by a descendant (a "Descendant"), and if the Member's Property is devised to the Descendant or the Descendant takes the Property as a joint owner thereof by operation of law, that Descendant will be a Member, subject to applying for membership as required by Article 8, and paying an Initiation Fee in an amount as determined by resolution of the Board of Directors, from time to time. If the Member is not survived by a Spouse or a Descendant, the devisee of the Member's Property shall apply for membership as required by Article 8 and pay a full Initiation Fee within one (1) year of the date of the Member's death.

- (f) If a Regular Member is divorced, the Member or Spouse of the Member that is awarded the Property to which the membership is appurtenant shall be the Regular Member and retain all rights and privileges of membership. The Spouse who is not awarded the Property may, upon written request and approval of the Board, continue as a "Spousal Member," subject to payment of all Club dues and assessments and minimums, for a period of one (1) year. The Spousal membership may be extended for one (1) additional year only, upon Board approval. If the Spousal Member purchases Property in Bay Harbor prior to termination of the Spousal membership, the Spousal Member must pay the Initiation Fee applicable to Regular Members, and upon payment, such Spousal Member shall be a Regular Member. If the Member and Spouse of the Member own more than one Property in Bay Harbor at the time of divorce, and each is awarded Property in Bay Harbor, the non-member Spouse shall pay an Initiation Fee for a Regular Membership at the time of entry of the judgment of divorce. If a Founding Member is divorced, the Founding Member shall continue as a Founding Member. The Spouse of a Founding Member shall have the same rights as a Spousal Member under this paragraph, provided the Initiation Fee for such a Spousal Member if such Spousal Member purchases Property in Bay Harbor shall be as determined by resolution of the Board, from time to time. Spousal Members shall have voting rights.

9.7. Reissuance of Membership. No Member shall have any right to sell, pledge, hypothecate, assign or otherwise transfer or encumber his or her membership, except in conjunction with the reissuance program as set forth in this Section 9.7, which Section may be amended by the Club. The only memberships which are reissuable are Regular Memberships. Founding Memberships are not reissuable, but are transferable only as provided in Section 7.1(b)(iv).

- (a) Reissuance of Regular Memberships. The Membership of a Regular Member in good standing may be reissued only through the Club and only to the subsequent purchaser of the Member's Property.
- (b) Administrative Fee. To cover the administrative costs for the reassignment of memberships, all transfers of Regular Memberships are subject to the payment of an administrative fee by the Member as established by the Club.
- (c) Continued Payment of Dues, Fees and Assessments. During the period of time that a Member's Property is for sale, that Member shall be responsible to pay the required prevailing dues, fees and assessments applicable for the membership until the reissuance of the membership to the purchaser of the Member's Property. The Member shall be entitled to use of the Club Facilities during the period the dues are being paid to the Club while the Property is on the market.

- (d) Financed Memberships. In the event any portion of the Initiation Fee has been financed or is owed to the Club, the Member shall be obligated to pay in full to the Club the remaining unpaid balance of the Initiation Fee as a condition precedent to the transfer of the membership to the subsequent purchaser of Member's Property.
- (e) No Advertising. Use of electronic media, magazines, newspapers, posters, billboards and other forms of public solicitation of membership transfers is strictly prohibited. Such public advertising of a membership will result in the disallowance of a transfer of such membership and may result in the termination of the membership and forfeiture of all membership rights and privileges thereunder.

9.8. Refund of Initiation Fee. No Member shall have any right to receive a refund of all or part of his or her Initiation Fee, except as may specifically be authorized in this Section 9.8, which Section may be amended by the Club.

- (a) Refund of Initiation Fee Upon the Reissuance of a Regular Membership. Upon receipt of the written resignation and request to transfer from a Member, and *after* the reissuance of his or her membership in accordance with Section 9.7, the Member will be entitled to receive, if the membership is in good standing on the resignation date and the Initiation Fee has been paid in full, a refund in an amount established by the Board of Directors, such amount not to be less than twenty percent (20%) of the Initiation Fee paid by the new Member for the membership. All payments shall be made by the Club within thirty (30) days after the membership held by the Member has been reissued by the Club, subject to the terms and conditions set forth in Section 9.7. No interest shall be due and payable on the Initiation Fee. Any difference between the amount paid by the new Member to whom the membership is reissued and the amount of the refund to the resigning Member shall be the sole property of the Club.
- (b) Refund of Initiation Fee if Property is sold by Regular Member to another Regular Member. If a Regular Member sells, transfers or otherwise conveys to another Regular Member the Property that is tied to the transferring Member's membership, and no Initiation Fee is paid by such acquiring Member, the transferring Member shall be entitled to a refund of the same percentage of the then current Initiation Fee as is then applicable to other Regular Members, but such refund shall be paid pursuant to Section 9.8(c).
- (c) Waiting List. If the Membership Interest of an Invitational Member has been terminated pursuant to Section 7.1(d)(ii), or if the Membership Interest of a Regular Member has been terminated by sale of such Member's Property to an existing Member, and no Initiation was paid, as

provided in Section 9.8(b), each such former Member's name shall be placed on a waiting list by chronological order of termination of membership, and the refund of the Initiation Fee applicable to the type of Membership Interest that was terminated shall be paid to such former Member(s), on a first-in, first out, basis, under the following rules:

- (i) A refund of the Initiation Fee to a former Member on the waiting list shall not be paid until eight (8) Regular Memberships have been re-issued pursuant to Section 9.7, and an Initiation Fee is paid by each of such eight new Regular Members since the date the former Member was placed on the waiting list; and,
- (ii) Once the conditions of subparagraph (i) above have been satisfied, a refund of the Initiation Fee applicable to the membership classification or category of the former Member then on the waiting list having the earliest date of membership termination shall be paid to such former Member; and after payment of the applicable refund of Initiation Fee to a former Member, such former Member shall be removed from the waiting list; and,
- (iii) After refund of an Initiation Fee is made to a former Member on the waiting list, and an additional eight (8) Regular Memberships have been re-issued pursuant to Section 9.7, and an Initiation Fee is paid by each of such eight new Regular Members, a refund of the Initiation Fee applicable to the membership classification or category of the former Member then on the waiting list having the earliest date of membership termination shall be paid to such former Member, and such former Member shall be removed from the waiting list; and,
- (iv) The process described in subparagraph (iii) shall be continued until there are no former Members on the waiting list; and,
- (v) If a former Member is placed on the waiting list, and there are no other former Members on the waiting list, the provisions of subparagraphs (i) and (ii) above shall apply.

9.9. Guest Policy. The Club's guest policy shall be determined by the Board of Directors and shall be set forth in the House Rules. The Club's guest policy is subject to change from time to time in the sole discretion of the Board of Directors. The Club reserves the right to determine the number of guests a Member may host at one time, and to limit the number of times a particular guest may use the Club Facilities during any particular time period.

ARTICLE 10.

PAYMENT OF DUES AND CHARGES

- 10.1. Membership Dues. All Members shall be responsible for payment of membership dues as may from time to time be prescribed for the various categories of membership by the Club. Membership dues are payable in advance as set forth herein.
- 10.2. Charges. The Club will approve the rate of charges for guest fees and all items of food, beverage, merchandise or other goods and services sold at the Club to Members, and to the Spouses, Children, and guests of Members. Each Member will be obligated to pay such charges for the goods and services purchased by such Member, and by the Member's Spouse, Children, and guests. Club reserves the right, in its sole discretion, to establish food and beverage minimums, and to increase or decrease the amounts of such food and beverage minimums, if established.
- 10.3. Statement and Payments. Monthly statements are closed on the last day of each month and normally mailed within five (5) working days thereafter. Payment is due and must be received at the Club (not merely postmarked) by the last day of the month in which the statement is mailed. A late charge, in an amount to be determined by Club from time to time, will be added to all outstanding balances not paid each month. A Member may elect to have his or her membership dues and charges charged directly to his or her credit card account. Individual arrangements must be made in writing with the accounting department of the Club. Notwithstanding the foregoing, the Club may place any Member on a cash basis for any or all services otherwise provided for credit, at any time, at the Club's sole discretion.
- 10.4. Maintenance of Member Charge Accounts. In the event that the information provided on a Member's Membership Agreement with regard to credit card accounts becomes incorrect for any reason, including, but not limited to, expiration due to passage of time or closure of accounts, the Member shall provide to the Club's accounting department whatever data is necessary to update such information. All Members must maintain at least one (1) valid credit Card account against which certain delinquent accounts may be charged as set forth below.
- 10.5. Assessments. At any time and from time to time, the Club may, except as otherwise expressly required herein, levy assessments against the Members of the Club to cover operating deficits. Assessments proposed for the purpose of permitting the Club to acquire additional facilities require the consent of at least sixty percent (60%) of the Members.

- 10.6. Past Due, Delinquency and Suspension of Privileges. Effective management of accounts receivable at the Club is important to the Club and necessary to protect the rights and privileges of every Member. Accordingly, it is necessary to institute the following policies with regard to those Members who do not maintain their accounts in a timely manner:
- (a) After notifying a Member either by mail or by telephone that his or her Club Account is past due thirty (30) days, his or her charging privileges may be suspended;
 - (b) Any Member whose Club Account becomes delinquent, which is defined as being over sixty (60) days past due, may be denied charging and usage privileges until it is brought current. The Member will be notified by mail, may be contacted by telephone, and the fact of this delinquency may be posted on various bulletin boards at the Club;
 - (c) A Member whose Club Account has become delinquent under paragraphs (a) or (b) above, and who desires to continue to have charging privileges, may, at the discretion of the Club, (i) place funds in escrow with the Club, or (ii) authorize the Club to charge all purchases and charges to the Club Account to Member's credit card; and
 - (d) In the event that a Club Account becomes more than ninety (90) days delinquent, the Club may suspend all rights and privileges of the membership, including, but not limited to, (i) the right of the Member, and the Spouse, Children and guests of the Member, to use the Club Facilities, (ii) the right to reissuance of the membership as set forth in Section 9.7, and (iii) the right to refunds as set forth in Section 9.8. Such suspension shall not prejudice or affect in any manner the right of the Club to use all legal remedies necessary to collect such delinquent indebtedness. The Member shall be responsible for any and all costs of collection including but not limited to attorneys' fees. The Member shall indemnify the Club against all third party claims on fees paid to the Club on their behalf.
- 10.7. Crediting of Account. All bills must be paid in full. Any Member with questions regarding his or her statement should contact the accounting department and any credits due the Member will be credited on the following month's statement. A credit may never be taken against any Initiation Fee.
- 10.8. Frequent Delinquency. In the event that a membership becomes frequently delinquent, defined as more than sixty (60) days past due three (3) times in any 12-month period, all rights and privileges of the membership shall be suspended; however, such suspension shall not prejudice or affect in any manner the right of the Club to use all legal remedies necessary to collect such delinquent indebtedness.

- 10.9. Returned Checks. Members shall be charged an additional returned check fee their statement for any checks returned from the bank. The Club will set this fee annually.

ARTICLE 11.

INFRACTIONS AND DISCIPLINE

- 11.1. Violations. The Club may suspend or otherwise discipline any Member for committing any violation of these Bylaws or the House Rules, for conduct unbecoming a Member, for any offense by the Member, or by the Member's Spouse, Children, and/or guests, against the best interests of the Club or for other good and sufficient cause as determined by the Club. Such discipline may include the denial of usage rights to any Member, or Spouse, Child or guest of a Member.
- 11.2. Suspension. A Member who has been suspended pursuant to these Bylaws shall be required to pay monthly dues, minimums and assessments following the effective date of suspension, and no portion of any fee or monthly dues previously paid by a suspended Member shall be refunded or prorated due to a suspension of a membership. During the period of suspension, the Member, and the Member's Spouse, Children, and/or guests, shall have no right or privileges to use the Club Facilities pursuant to the membership or as the guest of another Member. A suspension may be lifted at such time as the Club obtains satisfactory assurance any violations will not be repeated.
- 11.3. Procedure for Suspension. A written notice of suspension shall be delivered by mail to the suspended Member. Upon suspension, the Member and the Member's Spouse, Children, and guests, shall thereafter have no rights or privileges to use the Club. Suspension does not prejudice or affect in any manner the Club's right to use all legal remedies available to collect any delinquent indebtedness.
- 11.4. Hearing Following Suspension. The following procedures shall be made available by the Club in order that suspended Members may be afforded an opportunity to have their situation reviewed and all circumstances taken into account:
- (a) The Member may request a review hearing, which will be held before the Club or a designated representative of the Club. The Member's request for a hearing must be delivered to the Club within fifteen (15) days following the date upon which the Club mails the notice of suspension to the Member; and
 - (b) The review hearing will be conducted within thirty (30) days from the date that Member's request for the hearing is delivered to the Club. The Member may attend in person or by representation. Following such hearing, the Club or designated representative of the Club will make every

effort to reach a mutually acceptable resolution. In the event such a resolution is not reached, the decision of the Club or designated representative of the Club is final and binding.

- (c) Notwithstanding anything to the contrary detailed above, a Member whose membership is suspended based upon the failure to maintain his or her membership in good standing by fulfilling all financial obligations in a timely manner shall not be entitled to a hearing.

11.5. Procedure for Other Discipline. A written notice shall be prepared and mailed to the Member within five (5) business days of the violation, describing the violation, noting all parties involved, and specifying the action taken by the Club. A copy of the notice will be placed in the Member's file.

11.6. Reinstatement of Privileges. A request for the reinstatement of membership privileges may be honored, at the Club's discretion, subject to the suspended Member's bringing the Club Account current, including the payment in full of all dues, minimums and assessments accruing prior to and during the period of suspension.

ARTICLE 12.

MEETINGS OF MEMBERS

12.1. Place of Meetings. All meetings of Members shall be held at any place within or without the State of Michigan which may be designated either by the Board of Directors (pursuant to authority hereinafter granted to said Board), or by the written consent of a majority of Members entitled to vote thereat, given either before, at or after the meeting and filed with the Secretary of the Club; provided, however, that no change in place of the meeting shall be made within fifteen (15) days prior to the date on which an election of Directors is to be held.

12.2. Annual Meetings

- (a) The annual meetings of Members shall be held at 9:00 a.m. on Labor Day Monday. The business to be transacted at the meeting shall be at the election of Directors and such business as properly brought before the meeting.

- (b) If the election of Directors shall not be held on the day designated in Section 12.2(a) for any annual meeting, or at any adjournment of that meeting, the Board of Directors shall call a special meeting of the Members as soon as possible thereafter. At the meeting, the election of Directors shall take place. The election and any other business transacted shall have the same force and effect as at an annual meeting called and held under Section 12.2(a).

(c) In the event the annual meeting is not held at the time prescribed in Section 12.2(a), and if the Board of Directors shall not call a special meeting as prescribed in Section 12.2(b) within four (4) months after the date prescribed for the annual meeting, then a majority of the Members may call the meeting, and at that meeting the Members may elect the Directors and transact other business with the same force and effect as at an annual meeting called and held under Section 12.2(a) or 12.2(b).

12.3. Notice and Purpose of Meetings; Waiver. Each Member of record entitled to vote at any meeting shall be given in person, or by mail, or by facsimile, written or printed notice of the purpose or purposes, and the time and place within or outside the State of Michigan of every meeting of Members, including the annual meeting. Notice shall be delivered not less than ten (10) days nor more than sixty (60) days before the meeting. If sent by mail or facsimile, it should be directed to the Member at the address last shown on the books of the Club. No publication of the notice of the meeting shall be required. A Member may waive notice of any meeting by attendance, either in person or by proxy, at the meeting or by a written waiver signed either before or after the meeting. Attendance at a meeting for the express purpose of objecting that the meeting was not lawfully called or convened shall not, however, constitute a waiver of notice. Except where otherwise required by law, notice need not be given of any adjourned meeting of the Members.

12.4. Special Meetings. Special meetings of the Members, for any purpose or purposes whatsoever, may be called at any time by the Chairman of the Board of Directors, the Board of Directors, or upon the written request of ten (10) or more Members who are entitled to vote. Notice of such special meetings shall comply with the provisions of Section 12.3.

12.5. Adjourned Meetings and Notices Thereof. Any Members' meeting, annual or special, may be adjourned to any other time and place by the vote of a majority of the Members, present either in person or by proxy at the meeting, or by any Officer entitled to preside or to act as secretary of such meeting, whether or not a quorum is present. In the absence of a quorum, corporate business may not be transacted at such meeting.

When any Members' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting, and otherwise, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

12.6. Voting. Only those Members with voting rights (i) listed on the membership records of the Club on the day ten (10) days prior to any meeting of Members, and (ii) in good standing, shall be entitled to vote at such meeting. Members may

exercise their vote through a proxy appointed by a written instrument signed by the Member or by a duly authorized attorney-in-fact. Such vote may be *viva voce* or by ballot; provided, however, that all elections for Directors must be by ballot upon demand made by a Member at any election and before the voting begins. When an action, other than the election of Directors, is to be taken, it shall be authorized by a majority of the votes cast by the Members entitled to vote thereon, unless a greater majority is expressly required by the Articles of Incorporation or the laws of Michigan. Only those Members twenty-one (21) years of age or older may vote on matters relating to alcoholic beverages. Notwithstanding the above, only Equity Members shall be permitted to vote on matters related to the sale or dissolution and liquidation of the Club.

- 12.7. Quorum. A meeting of the Members may not be conducted unless a quorum is present at that meeting. The presence in person or by proxy of **thirty percent (30%)** of Members entitled to vote at any meeting shall constitute a quorum for the transaction of business. If a quorum is not present at any particular meeting, the meeting will be adjourned and may be rescheduled for any time at least forty-eight (48) hours later than the adjourned meeting. A Member's participation in any meeting of the Members by conference telephone or similar communications equipment by which all persons participating in the meeting may communicate with each other shall constitute participation in person. The names of the participants in the communication shall be divulged to all participants.
- 12.8. Order of Business. The order of business to be conducted at meetings of the Members is as follows: First, to determine whether a quorum is present; Second, to determine that every member has received notice of the meeting or has duly waived notice of the meeting; and Third, to attend to the business of that meeting, as set forth in the notice of that meeting. Meetings of the Members will be conducted by the most senior Officer of the Club who is present at that meeting. Meetings will be conducted according to any generally recognized manual of parliamentary procedures. Minutes of each meeting of the Members will be prepared by the Club.
- 12.9. Action Without Meeting. Any action which, under the laws of Michigan, may be taken at a meeting of the Members, may be taken without a meeting if authorized by a writing signed by all of the persons who would be entitled to vote upon such action at a meeting, and filed with the Secretary of the Club.
- 12.10. Proxies. Every person entitled to vote at a meeting of the Members or execute a consent or dissent to an action without a meeting of Members shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or such person's duly authorized agent and filed with the Secretary of the Club; provided that no such proxy shall be valid after the expiration of three (3) years from the date of its execution, unless otherwise provided in the written proxy.

ARTICLE 13.

INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

- 13.1. Indemnification of Claims Brought by Third Parties. The Club shall indemnify a person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal other than an action by or in the right of the Club, by reason of the fact that the person is or was a Director, Officer, employee, nondirector volunteer, or agent of the Club, or is or was serving at the request of the Club as a Director, Officer, partner, trustee, employee, nondirector volunteer, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, against expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit, or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Club, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe that the conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Club and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.
- 13.2. Indemnification of Claims Brought by or in the Right of the Club. The Club shall indemnify a person who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the Club to procure a judgment in its favor by reason of the fact that the person is or was a Director, Officer, employee, nondirector volunteer, or agent of the Club, or is or was serving at the request of the Club as a Director, Officer, partner, trustee, employee, nondirector volunteer, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise whether for profit or not against expenses including actual and reasonable attorneys' fees and amounts paid in settlement incurred by the person in connection with the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the Club. However, indemnification shall not be made for a claim, issue, or matter in which the person has been found liable to the Club unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for expenses which the court considers proper.

- 13.3. Enforcement of Indemnification Provisions. To the extent that a Director, Officer, employee, nondirector volunteer, or agent of a Club has been successful on the merits or otherwise in defense of an action, suit, or proceeding referred to in Sections 13.1 or 13.2, or in defense of a claim, issue, or matter in the action, suit, or proceeding, the successful party shall be indemnified against expenses including actual and reasonable attorneys' fees incurred in connection with the action, suit, or proceeding and in any action, suit, or proceeding brought to enforce the mandatory indemnifications provided in this Article 13.
- 13.4. Approval of Indemnification. An indemnification under Sections 13.1 or 13.2, unless ordered by a court, shall be made by the Club only as authorized in the specific case upon a determination that indemnification of the Director, Officer, employee, nondirector volunteer, or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in this Article 13. This determination shall be made in any of the following ways:
- (a) By a majority vote of a quorum of the Board consisting of Directors who were not parties to the action, suit, or proceeding.
 - (b) If the quorum described in Section 13.4(a) is not obtainable, then by a majority vote of a committee of Directors who are not parties to the action. The committee shall consist of not less than two (2) disinterested Directors.
 - (c) By independent legal counsel in a written question.
- 13.5. Partial Indemnification. If a person is entitled to indemnification under Sections 13.1 or 13.2, for a portion of expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement but not for the total amount thereof, the Club may indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.
- 13.6. Advancement of Expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Sections 13.1 or 13.2, may be paid by the Club in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the Director, Officer, employee, nondirector volunteer, or agent to repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the Club. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.
- 13.7. Other Rights of Indemnification. The indemnification or advancement of expenses provided in this Article 13 is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled

under the Articles of Incorporation, Bylaws, or a contractual agreement. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

- 13.8. Former Agent. The indemnification provided in this Article 13 continues as to a person who ceases to be a Director, Officer, employee, nondirector volunteer, or agent and shall inure to the benefit of the heirs, executors, and administrators of the person.

ARTICLE 14.

DISSOLUTION AND LIQUIDATION

- 14.1. Dissolution and Liquidation. If at any time a majority of the Board of Directors concludes that the purposes of the Club cannot be fulfilled, then the Board of Directors may, by resolution approved by a majority of the Board of Directors, take such actions as may be required voluntarily to dissolve the Club and liquidate its assets in accordance with the Act. In the event that there are assets remaining after the payment of all debts, liabilities, and obligations of the Club, the Equity Members of the Club in good standing will be entitled to receive their ratable share (determined by the Board of Directors on the basis of their membership classifications and the Initiation Fees in effect for each membership classification immediately prior to dissolution) of such remaining assets.

ARTICLE 15.

MISCELLANEOUS PROVISIONS

- 15.1. Corporate Seal. If the Club has a corporate seal, it shall have inscribed thereon the name of the Club and the words "Corporate Seal" and "Michigan." The seal may be used by causing it or a facsimile to be affixed, impressed or reproduced in any other manner.
- 15.2. Financial Matters. All of the Club's financial instruments and documents including, but not limited to, checks, drafts, bills of exchange, acceptances, notes or other obligations or orders for the payment of money shall be signed by the person(s) as designated by the Board of Directors.
- 15.3. Method of Giving Notices.
- (a) Any notice required by statute or by these Bylaws to be given to the Directors, or to any Officers of the Club unless otherwise provided herein or in any statute, shall be given by mailing to such Director or Officer at his or her last address as the same appears on the records of the Club, and

such notice shall be deemed to have been given at the time of such mailing.

- (b) Any notice to be given by the Club to a Member may be mailed or otherwise delivered to that Member at the address which the Member lists on his or her application for membership, unless that address has subsequently been changed by notice delivered to the Club as provided for in this Section. Notice to a Member is effective at the time of personal delivery or, if mailed, on the first regular mail delivery day at least three (3) days after the notice is delivered, postage prepaid, to the United States Postal Service.
- (c) Any notice to be given by a Member to the Club or the Club may be mailed or otherwise delivered to the Club at that address listed below, or such other address as the Club or the Club may subsequently designate by notice delivered to the membership as provided for in this Section. Notice to the Club is effective upon its receipt by the General Manager.

BAY HARBOR YACHT CLUB
4300 Vista Drive
Bay Harbor, Michigan 49770
Attention: General Manager
Telephone: (231) 439-2110
Facsimile: (231) 439-2111

- 15.4. Inspection of Books. A Director may inspect and copy the books and records of the Club kept by the Secretary and the Treasurer at all reasonable times and only under such procedures and conditions as may be determined from time to time by the Board of Directors.
- 15.5. Independent Corporation. The Members recognize and acknowledge that the Club is an independent corporation chartered under the laws of the State of Michigan, to whom the Members will solely look and who is solely responsible for the obligations and liabilities of the Club recited herein, arising hereunder, or in any manner related to the transactions contemplated hereby. The Members further recognize and acknowledge that no other entity or entities, including (i) any developers, (ii) any landowners, (iii) any individual, or (iv) any corporation affiliated with the Club which may form, organize, provide services to, provide loans and funds to, negotiate for, provide personnel to, make representations on behalf of, and from time to time take actions on behalf of or for the benefit of the Club, by direct dealings with the Members or those acting for them, is in any manner liable or responsible for the obligations and liabilities of the Club, whether recited herein, arising hereunder, or in any manner related to the transactions contemplated hereby, including, but not limited to, the refund of the Initiation Fee.

- 15.6. Binding Effect, Indemnification. In consideration of the rights and privileges of membership, each Member agrees, on his or her own behalf, and on behalf of his or her Spouse, Children, and guests, to be bound by these Bylaws and the House Rules. Furthermore, each Member agrees (i) to hold all developers, landowners, and all other employees and agents harmless, (ii) to indemnify the same, and (iii) to provide a defense by counsel, of the Club's choosing, from any claim, liability or loss which results from or is connected with any violation of these Bylaws or the House Rules by the Member or his or her Spouse, Children, or guests, or any dispute arising from membership.
- 15.7. Release and Disclaimer. While using the Club Facilities or participating in Club events, whether on or off the premises, Members, and the Spouses, Children and guests of Members, are charged with the responsibility of using proper judgment and caution at all times. The Club assumes no liability for injuries caused to or incurred by any Member, or a Member's Spouse, Children, or guest, or other user, for damage to property resulting from the use of the Club Facilities. Consequently, any Member, or any Spouse, Child, or guest of a Member, or any other person who uses or accepts the use of any of the Club Facilities or services, or engages in any athletic contest, exercise or other Club activity, either on or off the premises, does so at his or her own risk and shall hold the Club, its Officers, Directors, employees and agents, harmless from any injury, damage, claim, or liability resulting from such use or engagement.
- 15.8. Personal Property. Each Member, Spouse, Child and guest is responsible for his or her own personal property. The Club is not responsible for lost property or articles stolen from anywhere on the Club premises and specifically disclaims any such responsibility. Personal property left by any person on the Club premises and not claimed within thirty (30) days may be disposed of by the Club without notice. No bailment is intended, nor created, by the preceding sentence.
- 15.9. Modification of Club Facilities. The use of the Club Facilities may be modified or otherwise restricted as deemed necessary by the Club. Membership does not create any presumption that the Club Facilities or services that are now or hereafter available will continue to be available in their current state or condition. The obligation to pay dues is not dependent on the availability of all the Club Facilities or the frequency of use. Tournaments, special events, repair, maintenance and/or construction or remodeling of any of the Club Facilities, and/or other occurrences may make it necessary for the Club to change the hours of use, or to restrict the use of one (1) or more of the Club Facilities, or to close the Club temporarily. The Club will not reduce or suspend dues during the time when the Club Facilities, in whole or in part, are not available. The Club reserves the right, in its discretion, to refuse use of the Club Facilities by any person at any time.
- 15.10. Reciprocal Agreements. At any time and from time to time the Club may enter into reciprocal use agreements with other clubs that are located at least fifty (50)

miles from the Yacht Club. The terms and conditions of these agreements (including without limitation whether any fees will be payable for reciprocal use) will be determined by the Club in its sole discretion. At any time and from time to time the Club may terminate any reciprocal use agreements. The Club may also enter into an agreement with the Bay Harbor Golf Club that would permit Members to use the dining facilities at the Bay Harbor Golf Club.

- 15.11. Membership Categories. The Club, at all times, retains the full right to modify categories of membership and the right to revise any or all of the membership privileges applicable to any membership category.
- 15.12. Liability for Damage. Each Member is liable for any damage to any of the Club Facilities or any person caused by the Member or by the Member's Spouse, Children, or guests. Payment is due immediately upon presentment to the Member of a statement for costs.
- 15.13. Associations. The Club disclaims any responsibility and accepts or incurs no liability for the activity of any association. No association rules or policies may be contrary to or in conflict with these Bylaws or the policies established by the Club.
- 15.14. No Agency. No Member or any person participating in the activities of any Club association shall have the authority, express or implied, to act on behalf of or as an agent for the Club.
- 15.15. Amendment, Entire Agreement. The Club's Membership Agreement and these Bylaws, as presently enacted or hereafter amended, constitute the entire agreement between each Member and the Club. None of these documents, nor the rights and obligations they create, may be modified, amended, enlarged, or revised orally or by any party other than a written amendment adopted by the Club.
- 15.16. Membership Charges. All deposits, dues, and miscellaneous charges and fees, annual, monthly or otherwise, are determined solely by the Club. The Club reserves the right, in the future, to change the amount of any Initiation Fees, deposits, dues, minimums and charges. Membership in good standing is conditioned upon prompt payment, in full, of all deposits, fees, dues and charges as assessed by the Club. A Member may be subject to disciplinary action, including forfeiture of membership, for failure to meet his or her financial obligations. The schedule of Initiation Fees, deposits, dues, minimums and charges in effect at any given time is contained in a classification table available for review at the membership office.

ARTICLE 16.

DEFINITIONS

- 16.1. Act. The term “Act” shall mean the Michigan Nonprofit Corporation Act, as may be amended from time to time.
- 16.2. Annual Member. The term “Annual Member” shall mean a member who holds an Annual Membership.
- 16.3. Annual Membership. The term “Annual Membership” shall have the meaning set forth in Section 7.1(e).
- 16.4. Articles of Incorporation. The term “Articles of Incorporation” shall mean the articles of incorporation for Bay Harbor Yacht Club, as may be amended from time to time.
- 16.5. Authorized Entity. The term “Authorized Entity” shall have the meaning set forth in Section 7.1(h).
- 16.6. Bay Harbor. The term “Bay Harbor” shall mean the approximately 1,100 acre residential community located in Resort Township, Emmet County, Michigan known as “Bay Harbor.”
- 16.7. Board of Directors. The term “Board of Directors” shall mean the board of directors of the Club.
- 16.8. Bylaws. The term “Bylaws” shall mean these Amended and Restated Bylaws for the Club, as may be amended from time to time by the Club, at the Club’s discretion.
- 16.9. Children. The term “Children” shall mean the unmarried children of a Member, or of a Member’s Spouse, who are under twenty-four (24) years of age and attending school full-time.
- 16.10. Club. The term “Club” shall mean Bay Harbor Yacht Club, a Michigan nonprofit corporation.
- 16.11. Club Account. The term “Club Account” shall mean an account established by the Club in each Member’s name, to which Club fees and charges incurred by the Member, and by the Member’s Spouse, Children and guests, may be charged.
- 16.12. Club Facilities. The term “Club Facilities” shall mean the real property owned by the Club, and all improvements thereon, including, but not limited to, the clubhouse with restaurant and fitness center, a swimming pool, platform tennis courts, a beach, and docks.

- 16.13. Corporate Member. The term “Annual Member” shall mean an Authorized Entity that holds a Corporate Membership.
- 16.14. Corporate Membership. The term “Corporate Membership” shall have the meaning set forth in Section 7.1(h).
- 16.15. Designee. The term “Designee” shall have the meaning set forth in Section 7.1(h).
- 16.16. Director. The term “Director” shall mean a member of the Board of Directors.
- 16.17. Eligible Person. If any particular Property is owned by one Person, then “Eligible Person” shall mean the Person owning that Property. If any particular Property is owned by more than one Person, then the Persons owning the Property will designate one of those Persons who will be an “Eligible Person.” If the owner of any particular Property is not a Person, then that owner will designate a Person who is a shareholder, officer, director, member, partner, trustee, or beneficiary, as the case may be, of that owner (or with prior written consent of the Club, that owner may designate any other Person) and that designated Person will be an “Eligible Person.” Only one Eligible Person may be designated in respect of any particular Property, but as more particularly described in Section 7.1(d) herein, the Club may permit up to two (2) memberships in respect of any particular Property.
- 16.18. Founder’s Fee. The term “Founder’s Fee” shall mean the amount paid to the Club by a Regular Member as a condition precedent to Founding Membership in the Club, as determined in the discretion of the Club and amended from time to time.
- 16.19. Founding Member. The term “Founding Member” shall mean a Regular Member who has been accepted for Founding Membership and has paid the Founder’s Fee.
- 16.20. Founding Membership. The term “Founding Membership” shall have the meaning set forth in Section 7.1(b).
- 16.21. Honorary Founding Member. The term “Honorary Founding Member” shall mean a Member who holds an Honorary Founding Membership.
- 16.22. Honorary Founding Membership. The term “Honorary Founding Membership” shall have the meaning set forth in Section 7.1(f).
- 16.23. Honorary Member. The term “Honorary Member” shall mean a Member who holds an Honorary Membership.
- 16.24. Honorary Membership. The term “Honorary Membership” shall have the meaning set forth in Section 7.1(g).

- 16.25. House Rules. The term “House Rules” shall mean those rules, regulations, policies and procedures, designated and as may be amended from time to time by the Club.
- 16.26. Immediate Family. The term “Immediate Family” shall mean a Member’s Spouse and Children.
- 16.27. Initiation Fee. The term “Initiation Fee” shall mean the amount paid to the Club by the Member as a condition precedent to membership in the Club, as determined in the discretion of the Club and amended from time to time.
- 16.29. Invitational Member. The term “Invitational Member” shall mean a Member who holds an Invitational Membership.
- 16.30. Invitational Membership. The term “Invitational Membership” shall have the meaning set forth in Section 7.1(d).
- 16.31. Legacy Member. The term “Legacy Member” shall mean a member who holds a Legacy Membership.
- 16.32. Legacy Membership. The term “Legacy Membership” shall have the meaning set forth in Section 7.1(c).
- 16.33. Master Deeds. The term “Master Deeds” shall mean any and all Master Deeds related to Property and recorded in Emmet County Register of Deeds.
- 16.34. Member. The term “Member” shall mean any individual who is accepted for membership as a member of any membership category or classification of the Club specified in these Bylaws and who has paid the applicable Initiation Fee.
- 16.35. Membership Agreement. The term “Membership Agreement” shall mean that membership agreement and application signed by the Member and by the Club indicating approval of an applicant for membership.
- 16.36. Membership Card. The term “Membership Card” shall have the meaning set forth in Section 6.4.
- 16.37. Membership Interest. The term “Membership Interest” shall mean a Member’s membership interest in the Club, regardless of the membership classification.
- 16.38. Membership Year. The term “Membership Year” shall mean each twelve (12) month period beginning on May 1st and ending as of the immediately succeeding April 30th.

- 16.39. Property. The term “Property” shall mean (i) real property that is located in Bay Harbor (including without limitation a condominium unit that is an individual building site or a condominium unit that is located in a building that is built upon property located in Bay Harbor) and (ii) any docks that are located in Bay Harbor Lake and that are a part of any condominium projects established by Bay Harbor Company and that have been designated by Bay Harbor Company as “Property.”
- 16.40. Regular Member. The term “Regular Member” shall mean a Member who holds a Regular Membership.
- 16.41. Regular Membership. The term “Regular Membership” shall have the meaning set forth in Section 7.1(a).
- 16.42. Spouse. The term “Spouse” shall mean the current, legal spouse of a Member; or, if a Member is unmarried and lives in the same household with another Person who is eligible to become the legal spouse of that Member, the Member may designate that Person as his or her Spouse.

ARTICLE 17.

AMENDMENTS AND ADDITIONS

- 17.1. Amendment. These Bylaws may be amended, repealed, altered, or restated at any time, in whole or part, by action of the Board of Directors of the Club; provided, however, that if any proposed amendment is material, then the amendment will not be effective unless that amendment is approved by more than one-half of the Members of the Club.
- 17.2. Announcement of Amendment. Amendments to these Bylaws may be announced either by publication in the Club’s newsletter or by posting on a Club bulletin board.

Approved by the Club the 15th day of August, 2001. Amended the 12th day of December, 2001. Amended the 16th day August, 2003, 16th day of April, 2004, 7th day of August, 2004, 7th day of October, 2006 and 23rd day of March, 2007 and the 23rd day of October, 2008.



BAY HARBOR YACHT CLUB
(a Michigan nonprofit corporation)

AMENDED AND RESTATED BYLAWS

Effective as of September 1, 2001

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