

**SUNSET  
SHORES**



**YACHT  
CLUB**

***BYLAWS  
OF  
SUNSET SHORES YACHT CLUB,  
INC.***

*Adopted at a meeting of the shareholders held on April 27, 2019*

*This document represents the Bylaws of the Sunset Shores Yacht Club and should be applied in conjunction with the Association Rules.*

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**ARTICLE I. MEETINGS OF SHAREHOLDERS**

**Section 1. Annual Meeting**

The annual meeting of shareholders of Sunset Shores Yacht Club shall be held at its registered office or at such other place and at such time as may from time to time be designated by the Board of Directors, which meeting shall be the fourth Saturday in April of each year and shall be for the purpose of electing directors and for the transaction of such other business as may properly be brought before the meeting.

**Section 2. Special Meetings**

Special meetings of the shareholders may be held upon the call of the Commodore or Secretary or the Board of Directors at the registered office of Sunset Shores Yacht Club or at such other place within or without the State of Michigan as may be stated in the notice. It shall be the duty of the Commodore or the Secretary or the Board of Directors to call a special meeting of the shareholders whenever requested in writing so to do by the holders of at least 10% of the amount of the stock then outstanding and entitled to vote at such meeting.

**Section 3. Notice of Meetings**

Notice of the time, place and purpose of each meeting of the shareholders, signed by the Commodore or a Vice Commodore or the Secretary or an Assistant Secretary, shall be served either personally or by mail upon each shareholder of record entitled to vote at such meeting not less than 10 days, nor more than 60 days, before the meeting; provided, that no notice of adjourned meetings need be given. If mailed, the notice shall be directed to each shareholder at the address as it appears on the stock books of Sunset Shores Yacht Club, unless the shareholder shall have filed with the secretary a written request that notices be mailed to a different address. Such further notice shall be given as may be required by law. Meetings may be held without notice if all shareholders entitled to vote thereat are present in person or by proxy, or if notice of the time, place and purpose of such meeting is waived by telegram, radiogram, cablegram or other writing, either before or after the holding thereof, by all shareholders not present and entitled to vote at such meeting. Attendance of a person at a meeting of shareholders, in person or by proxy, constitutes a waiver of notice of the meeting, except when the shareholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

**Section 4. Quorum**

Shares representing 10% of the outstanding shares entitled to cast votes at a meeting constitute a quorum at the meeting. The shareholders present in person or by proxy at such meeting may continue to do business until the adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. Whether or not a quorum is present, the meeting may be adjourned by a vote of the shares present. When a quorum shall be present upon any such adjournment day, any business may be transacted which might have been transacted at the meeting as originally called.

**Section 5. Record Date**

The directors may fix, in advance, a date not less than 10 days nor more than 60 days prior to the date of any meeting of the shareholders or prior to the last day in which the consent or dissent of action taken by the shareholders may be effectively expressed for any purpose without a

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meeting, as the record date for the determination of shareholders. When a determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders has been made, then that determination shall apply to any adjournment of the meeting, unless the Board of Directors has fixed a new record date for the adjourned meeting.

### ***Section 6. Voting***

A shareholder entitled to vote at a meeting may vote at such meeting in person or by proxy. Every shareholder shall be entitled to one vote for each share standing in their name on the record of shareholders, except to the extent otherwise set forth in the Articles of Incorporation of Sunset Shores Yacht Club. Unless otherwise stated in the Articles of Incorporation of Sunset Shores Yacht Club, all actions shall be determined by vote of a majority of the votes cast at a meeting of shareholders by the holders of shares entitled to vote thereon. A vote may be cast either orally or in writing. Directors shall be elected by cumulative voting.

### ***Section 7. Proxies***

Every proxy must be dated and signed by the shareholder or by their attorney-in-fact. No proxy shall be valid after the expiration of 3 years from the date of its execution unless otherwise provided for therein. Every proxy shall be revocable at the pleasure of the shareholder executing it, except where an irrevocable proxy is permitted by statute.

### ***Section 8. Conduct of Meetings***

Meetings of the stockholders shall be presided over by the Commodore or, if he is not present, by a Vice Commodore or, if none of the Vice Commodores are present, by a Chairperson to be chosen at the meeting. The Secretary or an Assistant Secretary of Sunset Shores Yacht Club or, in their absence a person chosen at the meeting, shall act as Secretary of the meeting.

### ***Section 9. Consent Action***

Notwithstanding the above provisions, any action required or permitted to be taken at an annual or a special meeting of shareholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted; provided, however, prompt notice of the taking of the action without a meeting by less than unanimous written consent must be given to shareholders who have not consented to said meeting in writing, which notice shall in any event be given within a period of 10 days following the date of said meeting.

## **ARTICLE II. DIRECTORS**

### ***Section 1. Number, Qualification, Term of Office and Quorum***

The property, business and affairs of Sunset Shores Yacht Club shall be managed by its Board of Directors to consist of 12 members who must be shareholders in Sunset Shores Yacht Club. The directors will be divided into three classes. Four directors shall consist of the first class; four directors shall consist of the second class; and four directors shall consist of the third class. The term of office of directors in the first class shall expire at the first annual meeting of shareholders after their election; that of the second class shall expire at the second annual meeting after their

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election; and that of the third class shall expire on the third annual meeting after their election. At each annual meeting, a number of directors equal to the number of the class whose term expires at the end of the time of the meeting shall be elected to hold office for three years or until their successors shall be elected and qualified in their stead. A majority of the directors shall constitute a quorum for the transaction of business and an act 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; provided, that if the directors shall severally and/or collectively consent in writing to any action to be taken by Sunset Shores Yacht Club, such action shall be as valid a Club action as though it had been authorized at a meeting of the directors. If at any meeting of the Board of Directors, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum shall have been obtained. Notwithstanding the above provisions, a director or the entire Board of Directors may be removed, with or without cause, by vote of the holders of a majority of the shares entitled to vote at an election of directors, excepting, however, if the votes cast against a director's removal would be sufficient to elect the director if then cumulatively voted at an election of the entire Board of Directors.

### **Section 2. Vacancies**

A vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A directorship to be filled because of a vacancy may be filled by the Board of Directors for a term of office continuing only until the next election of directors by the shareholders. If because of death, resignation or other cause, Sunset Shores Yacht Club has no directors in office, an officer, a shareholder, an executor, administrator, trustee or guardian of a shareholder or other fiduciary entrusted with like responsibility for the person or estate of a shareholder, may call a special meeting of shareholders for the purpose of electing directors or such other purposes as may be allowed by law.

### **Section 3. Meetings.**

The meetings of the Board of Directors shall be held at the principal office of Sunset Shores Yacht Club or at such other place or places within or without the State of Michigan, as may from time to time be determined by a majority of the Board of Directors. Regular meetings of the Board of Directors shall be held at such time and place as shall from time to time be determined by resolution of the Board of Directors. Special meetings may be held at any time upon the call of the Commodore or Secretary or of not less than a majority of the directors then in office.

### **Section 4. Notice of Meetings**

Written notice of the time and place, and in the case of special meetings, the purpose, of every meeting of the Board of Directors shall be duly served on or sent, mailed or telegraphed to each director not less than five days before the meeting, except that a regular meeting of the Board of Directors may be held without notice immediately after the annual meeting of the shareholders at the same place as such meeting was held, for the purpose of electing and appointing officers for the ensuing year; provided, that no notice of adjourned meetings need be given. Meetings may be held at any time without notice, if all the directors are present or if those present waive notice of time, place and purpose of each meeting by telegram, radiogram, cablegram or other writing, either before or after the holding thereof. Attendance of a director at a meeting constitutes a waiver of notice of the meeting.

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### **Section 5. Executive and Other Committees**

The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more of their number to constitute an executive or any other committee who, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the business of Sunset Shores Yacht Club between the meetings of the Board of Directors, except the Board of Directors may not delegate any power of authority specifically reserved to the Board of Directors by statute.

### **Section 6. Resignation of Director**

A director may resign by written notice to the Board of Directors. The resignation is effective upon its receipt by the Board of Directors or a subsequent time as set forth in the notice of resignation.

### **Section 7. Consent Meetings**

Any action required or permitted to be taken pursuant to authorization voted at a meeting of the Board of Directors or a committee thereof may be taken without a meeting if, before or after the action, all members of the Board of Directors or of the committee consent thereto in writing. The written consents shall be filed with the minutes and the proceedings of the Board of Directors or committee. The consent has the same effect as the vote of the Board of Directors or committee for all purposes.

### **Section 8. Telephonic Equipment**

A director may participate in a meeting of directors by conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other if all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants. Participation in a meeting pursuant to this provision constitutes presence in person at the meeting.

### **Section 9. Power of Board of Directors to Borrow Money**

The Board of Directors shall have the power and authority to borrow money whenever in the discretion of the Board of Directors the exercise of said power is required in the general interests of Sunset Shores Yacht Club, subject to the approval of a majority of the shareholders voting thereon at a special meeting of shareholders called for that purpose or at the annual meeting of shareholders provided notice of the same is given the shareholders, and in such case the Board of Directors may authorize the proper officers of Sunset Shores Yacht Club to make, execute, and deliver in the name and on behalf of Sunset Shores Yacht Club such notes, bonds and other evidence of said indebtedness as the Board of Directors shall deem proper. Said Board of Directors shall have full power to mortgage the property of Sunset Shores Yacht Club or any part thereof as security for indebtedness.

### **Section 10. Rules and Regulations**

The Board of Directors shall adopt rules and regulations for the use and maintenance of all Sunset Shores Yacht Club properties and facilities and the conduct of the members of Sunset Shores Yacht Club Association, their families and guests.



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**ARTICLE III. OFFICERS**

**Section 1. Election or Appointment**

The Board of Directors, as soon as practicable after the annual election of the directors in each year, shall elect from the shareholders a Commodore of Sunset Shores Yacht Club and shall also elect a Secretary and may from time to time select a Chairman of the Board, one or more Vice Commodores, Treasurers, Assistance Secretaries and Assistant Treasurers. The same person may hold any two offices, excepting those of Commodore and Vice Commodore, but no officer shall execute, acknowledge, or verify any instrument in more than one capacity if the instrument is required by law or the Articles, or the Bylaws of Sunset Shores Yacht Club require same to be executed, acknowledged or verified by two or more officers. The Board of Directors may also appoint such other officers and agents as they may deem necessary for the transaction of the business of Sunset Shores Yacht Club.

**Section 2. Term of Office**

The term of office of all officers shall be one year or until their respective successors are chosen, but any officer may be removed from office at any meeting of the Board of Directors by the affirmative vote of a majority of the directors then in office whenever, in their judgment, the interests of Sunset Shore Yacht Club will be served thereby. The Board of Directors shall have the power to fill any vacancies in any offices occurring for whatever reason.

**Section 3. Powers and Duties**

The officers of Sunset Shores Yacht Club shall respectively have such power and perform such duties in the management of the property and affairs of Sunset Shores Yacht Club, subject to the control of the directors, as generally pertain to their respective offices, as well as such additional power and duties as may from time to time be conferred by the Board of Directors.

**Section 4. General Power as to Negotiable Paper**

The Board of Directors may from time to time prescribe the manner of the making signature or endorsement of bills of exchange, notes, drafts, checks, and acceptances, obligations and other negotiable paper or other instruments for the payment of money and designate the officer or officers, agent or agents, who shall from time to time be authorized to make, sign or endorse the same on behalf of Sunset Shores Yacht Club.

**Section 5. Resignation of Officer**

An officer may resign by written notice to the Board of Directors. The written notice is effective upon its receipt by the Board of Directors or at a subsequent time specified in the notice of resignation.

**ARTICLE IV. INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Sunset Shores Yacht Club shall indemnify any 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 (other than an action by or in the right of Sunset Shores Yacht Club) by reason of the fact that they are or were a director, officer, employee or agent of

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Sunset Shores Yacht Club as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of Sunset Shores Yacht Club or its shareholders and, with respect to any criminal action or proceeding, had not reasonable cause to believe their conduct was unlawful. Determination 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, they reasonably believed to be in or not opposed to the best interest of Sunset Shores Yacht Club or its shareholders, and with respect to any criminal action or proceeding, had reasonable cause to believe that their conduct was lawful. Any indemnification by Sunset Shores Yacht Club, unless ordered by a court, shall be made by Sunset Shores Yacht Club only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because they have met the applicable standards in conduct set forth above as provided in MCLA Section 450.1564a.

### **ARTICLE V. SHARES**

#### ***Section 1. Form and Transfer***

The interest of each shareholder in Sunset Shores Yacht Club shall be evidenced by certificates for shares of stock in such form as the Board of Directors may prescribe from time to time in accordance with laws of the State of Michigan. Shares of stock of Sunset Shores Yacht Club may be transferred on the books of Sunset Shores Yacht Club in the manner prescribed by the laws of the State of Michigan by the holder thereof in person, or by his duly authorized attorney, upon surrender for cancellation of certificates for the same number of shares of the same class with an assignment and power of attorney duly endorsed thereon and attached thereto, duly executed and such proof of authenticity of the signature as Sunset Shores Yacht Club or its agents may reasonably require. The stock certificates of Sunset Shores Yacht Club shall be numbered consecutively, 1 through 186, and the number of the stock certificate shall be the numbered dock space assigned to the shareholder and any successor thereto.

#### ***Section 2. Signature, Countersignature and Registration***

The Certificates of stock of Sunset Shores Yacht Club shall be signed by and in the name of Sunset Shores Yacht Club by the Commodore or Vice Commodore and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer and sealed with the seal of Sunset Shore Yacht Club, if one exists, and countersigned and registered in such manner, if any, as the Board of Directors may be resolution prescribe.

#### ***Section 3. Stock Ledger***

The original or duplicate stock ledger or a list containing the names and addresses of all persons who are shareholders of Sunset Shores Yacht Club and the number of shares of stock of each class held by them respectively shall at all times be kept at the registered office of Sunset Shores Yacht Club in the State of Michigan. It shall be the duty of the Secretary of Sunset Shores Yacht Club to prepare and make, or cause to be prepared and made, at least 10 days before every election of directors, a complete list of shareholders entitled to vote in said election arranged in

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alphabetical order. Such a list shall be open at Sunset Shores Yacht Club for at least 10 days before such election for examination by a registered shareholder entitled to vote at such election and shall be produced and kept at the time and place of election during the whole time thereof and shall be subject to the inspection of any registered shareholder, or his proxy, who may be present. The original or duplicate stock ledger or a list shall be only prima facie evidence as to whom are the shareholders entitled to examine such list or the books of Sunset Shores Yacht Club or to vote in person or by proxy at the election. If requirements of this Section have not been complied with, on demand of a shareholder, in person or by proxy, who in good faith challenges the existence of sufficient votes to carry any action at the meeting, the meeting shall be adjourned until the requirements are complied with. Failure to comply with the requirements of this section shall not affect the validity of an action taken at the meeting before the making of such demand.

### ***Section 4. Mutilated, Stolen, Lost or Destroyed Certificates***

In case a certificate for shares of the stock of Sunset Shores Yacht Club is mutilated, stolen, lost or destroyed, a new certificate may be secure as provided in accordance with Michigan law; provided, however, that the owner of such certificate so mutilated, stolen, lost or destroyed, registered on the books of Sunset Shores Yacht Club, may be required to amply indemnify Sunset Shores Yacht Club and its transfer agents and registrars, if any, by a surety bond or otherwise to the satisfaction of the Board of Directors. If Sunset Shores Yacht Club shall voluntarily and in good Faith have a new certificate issued in lieu of one believed to have been stolen, lost or destroyed, or shall issue a new certificate in compliance with an order of a court of competent jurisdiction, Sunset Shores Yacht Club may recognize the person in whose name the certificate or any certificate thereafter issued in exchange or substitution therefore is issued as the owner of the shares described therein for all purposes, until the owner of the original certificate or transferee thereof, without notice and for value, shall enjoin Sunset Shores Yacht Club and the holder of a new certificate or any certificates issued in exchange or substitution therefore from so acting.

### ***Section 5. Closing of Stock Transfer Book***

The Board of Directors may close the stock transfer books for a period not exceeding 60 days preceding the date of any meeting of shareholders or the date when any change, conversion or exchange of capital stock shall go into effect, during which time no stock of Sunset Shores Yacht Club shall be transferred upon the books of Sunset Shores Yacht Club; provided, that in lieu of closing the stock transfer books as aforesaid, the Board of Directors may fix, in advance, a date not exceeding 10 days preceding the date of any meeting of the shareholders or the date for the payment of any dividend or the date when any change, conversion or exchange of capital stock shall go into effect, as a record date for the determination of the shareholders entitled to notice of and to vote at such meeting, or to exercise the rights in respect to any such changes, conversion or exchange of capital stock, and, in such case, such shareholders, and only such shareholders as shall be shareholders of record on the date so fixed, shall be entitled to such notice of and to vote at such meetings, or to exercise such rights as the case may be notwithstanding any such record date fixed as aforesaid. If a record date is not fixed: (a) the record date for determination of shareholders entitled to notice of or to vote at a meeting of shareholders shall be the close of business on the day on which notice is given or, if no notice is given, the day next preceding the day on which the meeting is held; and (b) the record date for determining shareholders for any

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purpose other than that specified in (a) above shall be the close of business on the day in which the resolution of the Board of Directors relating thereto is adopted.

### **ARTICLE VI. ASSESSMENTS**

#### **Section 1. Assessments**

On or before March 1st of each year, the Board of Directors shall determine and fix the annual assessment, if any, to be levied upon each share of stock for that fiscal year. On or before April 1st of that calendar year the Secretary, or other officer shall send a written notice of levied assessments to each shareholder. The shareholder shall be sent by regular mail to the shareholder's last known address. All assessments so levied shall be paid on or before May 1st of that calendar year. If not paid assessments and any late charges and fines as described in Section 2, shall become a lien upon each share of stock which the same was levied. *(Amended Shareholder's Meeting 4/22/2000)*

#### **Section 2. Non-payment of Assessments**

Timely payment of annual assessments is critical to the operation of Sunset Shores Yacht Club. Non-payment of assessments by shareholders will be processed as described below. The Board of Directors shall have the ability to modify or set aside the penalties under this section for good cause shown by the member. See **Figure 1. Schedule of Key Dates** at the end of this section for a timeline of key events. *(Amended Annual Shareholder's meeting April 26, 2014)*

##### **(a) Late Charges.**

If said assessments are not fully paid on or before May 15<sup>th</sup> of the same calendar year, a \$25.00 late charge will be added each month said sum shall be delinquent starting after 30 days and then on the 1<sup>st</sup> day of each subsequent month thereafter. Association privileges will be suspended. *(Amended Annual Shareholder's meeting April 26, 2014)*

##### **(b) Major Violation Judgment and Fine**

If after November 1st of the same calendar year, said assessments and late charges have not been paid, the share shall be levied a fine of \$500.00. Association privileges will continue to be suspended and the shareholder will be considered guilty of a Major violation. (This is a default penalty and does not require going through the Violations procedures outlined in ARTICLE IX). This penalty will be communicated in writing to the member in accordance to subsection "(c) Final Notification and Sale of Stock to Satisfy Lien" below. *(Amended Annual Shareholder's meeting (April 26, 2014)*

##### **(c) Final Notification and Sale of Stock to Satisfy Lien.**

Within 30 days after December 1<sup>st</sup> of the boating season the Secretary, or other officer, shall send a final written notice to shareholders whose levied assessments, and any late charges and fines, are delinquent from the *original due date*. The final notice shall be sent by regular mail to the shareholder's last known address. Such shareholder shall have an additional period of 30 days within which to pay the same after the date of such notice. Unless delinquent charges are paid within this period, the Board of Directors at its next meeting may order the sale of the stock certificate at public sale to the highest bidder and

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fix the time and place of such sale. *This means that the slip is now owned pending sale by SSYC as member has had over six months to make good on assessment.* Said stock shall then be sold to the highest bidder. The Board may authorize the officers of Sunset Shores Yacht Club to bid for the purchase of such stock on behalf of Sunset Shores Yacht Club and, if so purchased, it shall be placed in the treasury of Sunset Shores Yacht Club as a treasury stock. Upon any such sale, the Treasurer shall deduct from the proceeds thereof all delinquent assessments or dues and costs of such sale. The remainder, if any, shall be kept for the treasury at SSYC and may be used for any purposes. *(Amended Annual Shareholder’s Meeting 4/27/2019)*

<b><u>Figure 1. Schedule of Key Dates</u></b>	
May 1	- Assessment payments are due. If no payment received...
May 15	- \$25 fee assessed (30-day grace period begins).
June 1	- \$25 fee assessed (grace period still active).
June 15	- Grace period ends; May 15 & June 1 fees enforced if no payment received (\$50 total at this stage).
July 1	- \$25 fee assessed.
August 1	- \$25 fee assessed.
September 1	- \$25 fee assessed.
October 1	- \$25 fee assessed.
November 1	- \$25 fee and \$500 dollar fine enforced if no payment received (also guilty of Major violation); mail notice of actions.
December 1	- Treasurer has up to 30 days to send final notice. An additional 30 days to receive payment starts on the date of mailing; \$25 - fee assessed.
30 days after mailing	- Board may order auction of share at next BOD (Board of directors) meeting if no payment received. <b>Club now owns slip</b> as member has been given 6 months to make good on assessment & fees.
BOD ordered sale	- Secretary shall give 30-days written notice to SSYC shareholders stating the number of shares for sale and fixing the sale date. Resulting proceeds from auction, will be used to settle remaining balance to SSYC and must include all fees and fines. Any remainder of sale amount will be kept by SSYC in its treasury.
* Next Calendar Year (NCY)	

*(Scheduled Amended Annual Shareholder’s Meeting 4/27/2019)*

**Section 3. Sale of Treasury Stock by Sunset Shores Yacht Club**

No share of stock hereafter acquired by Sunset Shores Yacht Club shall be sold except after express authorization by the Board of Directors. The Secretary shall give 30-days written notice of any such sale to the shareholders stating the number of shares for sale. Upon the date fixed for such sale, bids will be accepted, and the Board of directors may thereupon sell such stock to the highest bidder or, in the event no satisfactory bid is received, may reject any and all bids and withhold the sale of such stock. Thereafter said stock may be sold, in the discretion of the Board of Directors, at any private or public sale. All money received from the sale of any such stock shall be placed in the treasury of Sunset Shores Yacht Club and may be used for any purposes.

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**ARTICLE VII. FISCAL YEAR AND CLUB SEAL**

***Section 1. Fiscal Year***

The fiscal year of Sunset Shores Yacht Club shall be April 1st to March 31st.

***Section 2. Corporate Seal***

The Board of Directors may provide a suitable seal for use by Sunset Shores Yacht Club. In any event, the existence or lack of existence of the seal on any document shall not affect the validity of the signing of the same, except as may be specifically set forth by law.

**ARTICLE VIII. SUNSET SHORES YACHT CLUB ASSOCIATION**

***Section 1. Membership***

In accordance with the Articles of Incorporation, there is hereby created a voluntary association known as Sunset Shores Yacht Club Association. All members in the Association shall possess the following qualifications:

- (a) Be of the age of 18 years;
- (b) Have an interest in the encouragement and promotion of yachting and the science of seamanship, racing and navigation, and social association among its members and their families;
- (c) Desire to use the general facilities of Sunset Shores Yacht Club;
- (d) Pay the assessments or dues of such members as set by the Board of Directors of Sunset Shores Yacht Club; and
- (e) Either be a shareholder of Sunset Shores Yacht Club [a shareholder member] or submit an application for associate membership to the Board of Directors [associate member].

***Section 2. Classes of Membership***

The membership in the Association shall be divided into two classes of members, shareholder members and associate members. The holder of a share or shares of stock shall be required to obtain and hold a separate membership for each share of stock owned.

***Section 3. Number of Associate Members***

The Board of Directors of Sunset Shores Yacht Club may limit the number of associate members, as it in its sole discretion shall determine.

***Section 4. Dues***

Membership dues in the Association for associate members shall be fixed by the Board of Directors each year on or before March 1st. Dues shall be payable upon Board of Directors or designee approval of the application to the Treasurer of Sunset Shores Yacht Club. Upon payment of such dues, the Secretary shall issue an annual membership card and/ or other identification.

## ***BYLAWS OF SUNSET SHORES YACHT CLUB, INC.***

### *Section 5. Officers and Directors - Collection and Use of Dues*

The Officers and Directors of Sunset Shores Yacht Club shall be the officers and directors of the Association and shall be vested with the control and management thereof. The Board of Directors shall from time to time appoint any committees that it deems necessary to properly carry on the activities of the Association. The Secretary shall keep all records of the Association and make an annual report thereof to the directors. The Treasurer shall collect all membership assessments and dues in accordance with Articles VI and VIII and shall deposit them in the treasury of Sunset Shores Yacht Club as annual rental for the Association.

### *Section 6. Rights and Privileges of Association members*

Members of the Association shall be entitled to the rights and privileges, use and enjoyment of the property, grounds and facilities of the Association in accord with the following:

#### (a) Shareholder Member

The shareholder members of the Association shall be entitled to all of the rights and privileges of associate members and, in addition thereto, shall be entitled to utilize one dock space and one parking place for each shareholder membership in the association that the said person shall be entitled to. Said dock space shall be that designated on the share of stock in Sunset Shores Yacht Club and may be used by said member or member's designee. A shareholder member in good standing, as defined in subsection (c) of this section, will have the right to assign or transfer the mooring rights. Only one person shall have the mooring rights at the dock space and parking space on the grounds of Sunset Shores Yacht Club during any one period of time. Any person using the mooring rights shall be deemed a guest of the shareholder owning the mooring rights.

#### (b) Associate Members

The associate members shall be entitled to the use in common of the facilities of the Association excepting that they shall not be entitled to utilize mooring space for docking of boats nor parking spaces for vehicle parking.

#### (c) Use of Grounds and Property by Association Members

All Association members in good standing shall have the right and privilege, with the immediate members of their families - husband, wife and children under the age of 21 years - at all times to enter the grounds and have use of the property of Sunset Shores Yacht Club and to enjoy the privileges of its facilities when the same shall be open under rules and regulations as from time to time shall be adopted by the Board of Directors. An Association member in good standing is defined as a member that shall have paid all assessments, late charges, fines, or dues for that fiscal year as described in Article VI and VIII. If not in good standing the Association member shall not have the right and privilege to enter the grounds or have use of the property of Sunset Shores Yacht Club until such time good standing is restored. An Association member may bring upon the grounds and property any person or persons as a guest and such guests shall be permitted to enjoy the same recreation privileges.

#### (d) Destruction of Association Property

The Board of Directors shall determine if any improvements are to be made to the property of the Association and control said alterations. No Association member shall have the right to modify, cut, destroy or remove from the Association property any growing tree, plant or shrub nor shall they have the right to alter, move, remove, add to or subtract from any Association

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property including the structures and infrastructures either personal or real owned by Sunset Shores Yacht Club.

### **(e) Entrance Gates and Identification of Association Members.**

The directors and officers shall provide suitable gates at each entrance to the Association property, which shall be kept closed and locked at all-times as determined prudent by the Board of Directors. Each Association member in good standing shall be provided with access to the entrance gates and it shall be said member's duty at all times to close and lock the gates whenever said member enters or leaves the Association property during those times said gates are ordered so by the Board of Directors. When upon the Association property shareholders or association members shall carry their membership cards upon their persons and also attach to their boats and their automobile such identification badges or emblems as may be required by the Board of Directors. All members whenever requested shall exhibit their membership cards and other identifying insignia which may be furnished to Association members to all officers, gate person, guards or other Association members.

## **ARTICLE IX. VIOLATIONS, PROCEDURE, AND REVOCATION OF ASSOCIATION MEMBERSHIP**

### **Section 1. Violations Committee and Hearing Process**

There is hereby established a violations committee to address alleged violations against Association members. The violations committee shall consist of a chairperson and four Association members whom shall be appointed each year by the Commodore.

#### **(a) Complaint and Investigation**

Upon the filing of a complaint in writing signed by a member of the Association or upon its own motion or motion of the Board of Directors, the violations committee shall investigate any alleged violation. The investigation shall be performed as rapidly as possible and members of the Association are directed to assist in the investigation in any reasonable manner requested by the violations committee including making of oral or written statements.

#### **(b) Notice of Meetings**

After filing of a complaint and completion of an investigation, a meeting of the violations committee shall be held at such place as determined by the committee chairperson. The member accused of the violation shall be notified at least two weeks in advance of the meeting by regular mail at the member's last known address. This notice shall contain a copy of the complaint, time, place and purpose of the meeting.

#### **(c) Open meetings**

Meetings of the violations committee shall be open to members of the Association except when as may be requested by the accused member when said meetings will be closed. In all cases, deliberations of the violations committee leading to a vote shall be restricted to violations committee members only.



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(d) Hearing Procedure

The violations committee shall first hear the report of its investigation and such further testimony as shall be necessary to determine the facts. The accused member shall have a reasonable opportunity to question all witnesses in attendance and present any evidence (reasonably) material to the violation charged. The written charges shall not be evidence of guilt or innocence of the accused. The violations committee shall then determine whether the violation as charged is major or minor and process as described below. At the conclusion of the hearing, minutes of the meeting will be submitted to the Secretary. Specific decisions regarding the accused member will be mailed to the accused member.

(e) Determination of Major Violations

In the event the violations committee by majority vote of those present determines a violation as charged is a major violation and there is a reasonable cause to believe the violation occurred and the accused member committed the violation, then the violations committee shall request a hearing on the alleged violation before the Board of Directors. In event a majority of the violation committee present do not agree there is reasonable cause to believe a major violation occurred or that the accused member committed it, a recommendation to the Board of Directors shall be made that the complaint be dropped.

(f) Determination of Minor Violations

In the event the violation committee by majority vote of the members present determines a violation charged is a minor violation:

**(I.)** The accused can be found guilty by vote of 2/3 of the violations committee present. A minor violation shall be punishable by a fine of not more than \$200.00. In event the violation committee shall find the member guilty, it shall then decide upon an appropriate punishment within the limits prescribed herein.

**(II.)** If the accused member is found not guilty by the violation committee, the matter is ended.

**(III.)** An accused member shall have the right to appeal any final action taken by the violation committee to the Board of Directors by filing a signed request for hearing on appeal with the Association Secretary within 30 days of the committee's action appealed from.

Section 2. Violations

Violations shall be described herein as either major or minor violations. In the event of a violation by an Association member's family or guest the Association member shall be charge with the violation as if they had committed the violation as if they had committed the violation.

**(a) Major Violation**

Major violations are as follows:

**(I.)** Any violation of the statutes of the State of Michigan which under Michigan law could penalize the offender by fine and imprisonment in excess of 90 days.

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(II.) Careless or negligent conduct causing property damage in excess of \$100.00 or personal injuries on Association grounds.

(III.) Reckless conduct which can reasonably be conducted be constructed as placing people or property in danger on Association grounds.

(IV.) Malicious destruction of any property on Association grounds.

(V.) Deliberate conduct anywhere clearly detrimental to Sunset Shores Yacht Club and/or the Association.

(VI.) Deliberate violation of any Association bylaws or Articles of Incorporation.

(VII.) A continued course of conduct and/or violations of Association rules such as, but not limited to, conviction of 3 minor violations.

**(b) Minor Violations**

Minor violations are as follows:

(I.) Violation of an Association rule as prescribed in Article II. Section 10.

(II.) Negligent or careless conduct causing property damage on Association grounds to \$100.00 or less.

(III.) Littering of Association grounds.

(IV.) Any careless or negligent conduct detrimental to the Association.

(V.) Any violation of Michigan law which could provide for imprisonment of 90 days or less.

**Section 3. Hearings before the Board of Directors**

All hearings before the Board of Directors on violations or on appeal of decisions of violations committee shall be conducted as open meetings with members of the Association entitled to be present and notice of such meetings shall be given as provided for violations committee hearings. The hearing will be closed upon the request of the accused member.

**(a) Complaint and Evidence**

The chairperson (or vice chairperson in the absence of the chairperson) of the violations committee shall present the complaint and evidence on violations or appeals. The accused member shall have a reasonable opportunity to defend, whether by presentation of evidence, testimony or by examination and/or rebuttal of testimony given. In event the Board of Directors shall make a determination of not guilty, the matter shall end.

**(b) Hearing Procedures**

The Board of Directors shall conduct the hearing under its usual rules, except that a vote of 2/3 of the directors present shall be required to find an accused member guilty of a major violation.

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On appeal from a determination by the violations committee, a vote of 2/3 of the directors present shall be required to overrule the violations committee.

### **(c) Major Violation and Appeal Penalties**

A major violation shall be punishable by a fine up to but not to exceed the sum of \$500.00, and/or suspension of Association privileges for any period up to and including 3 years, and/or expulsion from Association membership. In event the Board of Directors shall find the member guilty of a major violation, it shall then decide upon an appropriate punishment within the limits prescribed herein. In the event the Board of Directors upholds the decision of the violations committee; the violation committee's punishment will stand.

### **(d) Payment or Performance of Association Penalty**

Penalties as decided by the violations committee or the Board of Directors will be communicated in writing to the guilty member. Failure on the part of the guilty member to pay the penalty prescribed within 30 days of notification or violation of any order of suspension properly made shall be grounds for expulsion from the Association unless a minor violation is under appeal to the Board of Directors.

### **(e) Revocation of Association Membership**

In the event of the finding of guilty of a major violation, in addition to the penalties herein above provided, the guilty member may be punished by a forfeiture of their share or shares of stock in Sunset Shores Yacht Club. Said shareholder shall be given a period of 90 days from the date of the imposition of said penalty to sell or transfer said share of stock to Sunset Shores Yacht Club or any other person. If and in the event said shareholder does not sell or transfer said share, then the same shall be forfeited to Sunset Shores Yacht Club and shall be held by it as treasury stock to be disposed of as determined by the Board of Directors.

## **ARTICLE X. AMENDMENTS**

The Articles of Incorporation may be amended, in whole or in part, by an affirmative vote of a majority of the outstanding shares entitled to vote thereon. The bylaws of Sunset Shores Yacht Club may be amended, added to repealed or other new bylaws may be adopted in lieu thereof by a majority of the shareholders of Sunset Shores Yacht Club in attendance at an annual or special meeting of which prior notice thereof has been given

## **ARTICLE XI. INTERPRETATION**

The invalidity or unenforceability of any provisions hereof shall in no way affect the validity or enforceability of the remaining provisions hereof.

When applicable, pronouns and relative words shall be read as plural, feminine or neuter, respectively.

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**ARTICLE XII. DISSOLUTION**

In the event of dissolution, all assets, real and personal, shall be distributed to the shareholders as their respective interests in relation to all of the assets of Sunset Shores Yacht Club then appear.

**ARTICLE XIII. EFFECTIVE DATE**

The provisions hereof are immediately effective.

The undersigned, being the duty appointed and acting Secretary of the SSYC Corporation, does hereby certify that the foregoing Bylaws were adopted at a meeting of the shareholders held on

April 27, 2019.

Bill Roberts	Commodore	- SSYC
Mike Stevens	Hailer Director	- Noted as acting secretary for meeting
Kris Martek	Violations Director	- Noted as writer of changes