

GORDON BEACH HOMEOWNERS ASSOCIATION

BYLAWS

ARTICLE I

PURPOSES

The purposes of the corporation, as stated in its certificate of incorporation, are:

To own and operate a water works system in Gordon Beach Subdivision, New Buffalo Township, Berrien County, Michigan, according to the recorded plat thereof, and territory adjacent thereto; to extend said water works system as may become necessary in the future; to develop, own, and maintain the streets, walks and bathing beach in the aforesaid Gordon Beach Subdivision and territory adjacent thereto; to develop and maintain recreational facilities in said Gordon Beach Subdivision and territory adjacent thereto; to own real estate and to buy and sell said real estate; to own personal property and to buy and sell same; to provide sanitary and sewage facilities in said Gordon Beach Subdivision and territory adjacent thereto; to provide police and fire protection in said Gordon Beach Subdivision and territory adjacent thereto; to make charges for the aforesaid services to be rendered to the inhabitants of the said Gordon Beach Subdivision and territory adjacent thereto; to continue in the tradition of the Gordon Beach Home Owners Association organized in November of 1945 and operating in continuance up through the current date; and to do any and all other things necessary for carrying out the aforesaid purposes.

The corporation also has such powers as are now or may be hereafter granted by the provisions of Summer Resort Owner's Act, MCL § 455.201 et seq. ("Summer Resort Owner's Act" or "the Act"). .

ARTICLE II

RESIDENT AGENT

The corporation shall have and continuously maintain in this State a registered agent, whose office is identical with such registered officer, and may have other offices within or without the State of Michigan, as the Board of Trustees may from time to time determine.

ARTICLE III

MEMBERS

SECTION 1. ELIGIBILITY FOR MEMBERSHIP. A person or entity seeking to join the Association must at all relevant times have legal title or a life estate interest in any lot described in the plat of Gordon's Beach, recorded on August 27, 1923, in Liber 7 of Plats, Page 1, of the Berrien County Records, and the First Addition to Gordon's Beach plat, recorded July 11, 1925, in Liber 7 of Plats, Page 26, of the Berrien County Records, collectively the Gordon Beach

Subdivision. The Board of Trustees has the sole discretion to admit other persons or entities – in addition to persons or entities who have legal title or a life estate interest in a lot within Gordon Beach Subdivision – for membership in the Association, provided they have legal title or a life estate in Union Pier, Michigan, bounded by Townline Road, Lake Shore Drive, Smith Road, and Lake Michigan, and that would benefit from being members in the Association. When an Association lot is titled in both a husband and wife's name by the entirety, both the husband and wife shall be eligible for membership within the Association. No other real property interest qualifies a person or entity for membership in the Association, and all references in these Bylaws to "ownership" refer to having legal title or a life estate interest in that real property.

SECTION 2. ELECTIONS. A person or entity eligible for membership shall be elected as a member by an affirmative vote of the majority of the Trustees then on the Board. The Board has the authority to adopt reasonable rules, regulations, and procedures for votes of the Association membership, so long as those rules, regulations, and procedures are consistent with these Bylaws and the Summer Resort Owner's Act.

SECTION 3. VOTING RIGHTS. Except as otherwise provided in these Bylaws, every member shall be eligible to cast only one single vote. When the co-owners of a particular lot in the Association (who have only one membership in the Association), the Association may conclusively rely on the representation by the co-owner casting the vote that he/she has authority to cast the vote without requiring signed, written proxies from the other co-owners.

SECTION 4. TERMINATION OF MEMBERSHIP. The Board of Trustees, by affirmative vote of majority of all of the members of the Board, may suspend or expel a member for cause, after an appropriate hearing, and may, by a majority vote of those present, at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of assessments for the period fixed in Article XII of these bylaws.

SECTION 5. RESIGNATIONS. Any member may resign providing he has disposed of his property within the Subdivision, by filing a written resignation with the Secretary, but such resignation shall not relieve the member so resigning, of the obligation to pay dues previously accrued and unpaid.

SECTION 6. REINSTATEMENT. Upon written request by a former member and filed with the Secretary, the Board of Trustees may, by the affirmative vote of the majority of the members of the Board, reinstate such former member to membership, upon such terms as the Board of Trustees may deem appropriate.

SECTION 7. TRANSFER OF MEMBERSHIP. Membership in the Association may be transferred and assigned by a member upon his/her sale of the lot(s) which made that person eligible for membership in the Association to any person or entity who by buying the subject lot(s) became eligible for membership (or additional membership) in the Association. By accepting such a transferred or assigned membership interest, the person or entity buying the lot(s) consents to the authority of this Association and to be subject to these Bylaws, the Articles of Incorporation, and any other rules, regulations, or resolutions of the Association (including any restrictive covenants

applicable to the lot(s)). The person or entity transferring a membership interest shall provide the new member with a copy of these Bylaws and any rules, regulations, and resolutions (including the restrictive covenants) of the Association then in effect.

SECTION 8. NEW MEMBERS. Any person or entity who acquires ownership in any of the lots within the Association and otherwise meets the eligibility requirements for membership under these Bylaws (including Section 3 of Article III) may be elected as a member of the Association by a majority vote of the Board of Trustees. Membership shall be evidenced by a single class of capital stock in the Association. Every share of capital stock in the Association shall come with the same inherent rights and privileges of membership as are vested in the other shareholders holding this same class of stock within the Association. Nothing in this paragraph, however, prohibits the Association from charging its members (all holding the same class of stock) different rates of dues and assessments so long as the rates charged are reasonable and relate to furthering a legitimate Association interest. All such rates of dues and assessments are subject to approval of a majority of all members eligible to vote (as explained in Section 1 of Article IX).

ARTICLE IV

MEETING OF MEMBERS

SECTION 1. ANNUAL MEETING. The annual meeting shall be held in Berrien County, Michigan, in or around June 1st through August 31st of each year, at such a time and place as may be fixed by the Board of Trustees. This meeting may be adjourned from day to day as may be necessary for the handling of the Association's business. The business conducted at this meeting shall include, but not be limited to, electing Trustee(s) to fill any vacancies on the Board, including any vacant seats for Trustee(s) whose terms in office have expired. Approval by the majority of the members casting votes is sufficient to elect such Trustee(s); and any member may cast his/her vote in person or by proxy delivered to the Association's Secretary via personal delivery, US mail, or electronic mail, prior to the meeting. At each annual meeting, the Board of Trustees shall provide a written report of the management of the business of the Association, the condition of its property, its assets and liabilities, and such other matters as the Board of Trustees may deem proper and of general interest to the members.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called by any of the following: the President, the Secretary, majority vote of the Board of Trustees, or at least twenty-five percent (25%) of all the members of the Association.

SECTION 3. BOARD OF TRUSTEES REGULAR MEETING. Within 30 days of the election of the Trustees at the annual meeting, the Trustees so chosen shall elect a President, Vice-President, Secretary and Treasurer from their members, who shall hold their offices for one (1) year and until their successors shall be elected and qualified. They shall discharge the usual duties of such offices and such other duties as may be prescribed by the Bylaws and orders of the corporation.

SECTION 4. NOTICE OF MEETINGS. The Board of Trustees shall provide reasonable notice of meetings to the members.

SECTION 5. QUORUM. The members holding the majority of the votes which may be cast at any meeting, shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

SECTION 6. PROXIES. At any meeting of members, a member entitled to vote may vote either in person or by proxy, executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

ARTICLE V

BOARD OF TRUSTEES

SECTION 1. GENERAL POWERS. The affairs of the corporation shall be managed by its Board of Trustees.

SECTION 2. NUMBER, TENURE AND QUALIFICATIONS. The number of Trustees shall be nine (9). Each Trustee shall hold office for three (3) years and until his successors shall have been elected and qualified. However, only three (3) trustees shall be elected in any particular year. Trustees need not be residents of the State of Michigan. They must be members of the corporation or must be designated to act as Trustee in the place of a particular member by that member.

SECTION 3. REGULAR MEETINGS. A regular annual meeting of the Board of Trustees shall be held without other notice than this bylaw, within 30 days of the annual meeting of members. The Board of Trustees may provide by resolution the time and place, either within or without the State of Michigan, for the holding of additional regular meetings of the Board without other notice than such resolution.

SECTION 4. SPECIAL MEETINGS. Special meetings of the Board of Trustees may be called by or at the request of the President or Secretary. The person authorized to call special meetings of the Board may fix any place within or without the State of Michigan, as a place for holding any special meeting of the Board.

SECTION 5. SPECIAL MEETINGS NOTICE. Notice of any special meeting of the Board of Trustees shall be given at least five (5) days previously thereto, by written notice delivered personally, sent via electronic mail, or sent by mail or fax to each Trustee, at his address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage prepaid. If notice be given by fax, such notice shall be deemed to be delivered when the fax copy is sent. Electronic notice is delivered the date sent. Any Trustee may waive notice of any meeting. The attendance of a Trustee at any meeting shall constitute a waiver of notice at such meeting, except

where a Trustee attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called and convened. Neither the business to be transacted nor the purpose of any regular or special meeting of the Board, need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

SECTION 6. QUORUM. Two-thirds (2/3) of the Trustees then sitting on the Board shall constitute a quorum for the transaction of business. When a seat on the Board becomes vacant before the natural expiration of the vacating Trustee's term, the vacancy may be filled by a majority vote of the remaining Trustees on the Board. The term of the Trustee filling such a vacancy on the Board shall run until the date of the next annual meeting of the Association, at which the members shall vote to elect a Trustee to fill the seat for the remainder (if any) of the vacating Trustee's unexpired term.

SECTION 7. CONSENT MEETINGS. A member of the GBHA Board of Trustees may participate in a meeting of such Board by means of a conference telephone or other electronic media (e.g. Internet, video conference, etc.), by means of which all persons participating in the meeting can communicate with each other at the same time. Participating by such means shall constitute presence in person at a meeting.

Any action required by law to be taken at any meeting of the Trustees of the GBHA may be taken without a meeting so long as it is consistent with the consent procedures described herein.

Consent procedures are: (1) Action required or permitted to be taken at a Board of Trustees meeting may be taken without a meeting if the action receives the affirmative vote of the majority of the Trustees; The Action must be evidenced by one or more written consents describing the action taken or to be taken and signed and affirmed by the majority of the Board members. Electronic signatures are acceptable; (2) Action taken under this Section is effective when the action is signed and affirmed by a majority of the Board members unless the consent specifies a different effective date; (3) A consent signed under this Section has the effect of a meeting vote and may be described as such in any document; (4) Any consent resolution which has not received negative votes from the majority of the Board members shall be presented for a vote at the next Board meeting.

SECTION 8. REMOVAL OF TRUSTEES. A Trustee, including any officer, may be removed for cause by a majority vote of the entire Board of Trustees (excluding the Trustee being considered for removal) because of self-dealing, conflicts of interest, neglect or negligence in the performance of his/her responsibilities as a Trustee, and/or any other actions (or inactions) determined by the Board not to be in the best interests of the Association. Prima facie examples of when a Trustee may be removed for cause include failing to attend at least three (3) consecutive meetings of the Board (without sufficient excuse); his/her failure to comply with these Bylaws and/or any other rules and regulations of the Association; and/or he/she otherwise becoming ineligible to be a member, Trustee, or officer within the Association, including being in default of paying assessments as set forth in Article XII of these Bylaws. A Trustee, including any officer, may be removed without cause by a majority vote of the members entitled to vote in an election of such Trustee's replacement (excluding the Trustee being considered for removal). Whether

removed with or without cause, a successor Trustee shall be elected to fill the vacancy by the same vote required for the removal of the former Trustee.

ARTICLE VI

POWERS

SECTION 1. CORPORATE JURISDICTION. This corporation, through its properly delegated officers, shall have jurisdiction over the lands owned by the corporation and over the lands owned by the members of this corporation, for the exercise of the police powers conferred by statute, and shall have jurisdiction over the streets and highways passing through or over such lands; provided always, that the right of the public to control repair and use all such highways and streets as are necessary for the public travel, through or across said lands, shall not be affected hereby.

SECTION 2. ADDITIONAL JURISDICTION. The Board of Trustees shall have the authority to enact Bylaws, subject to repeal or modification by the members at any regular or special meeting, calculated and designed to carry into effect jurisdiction over the lands owned by the corporation and the members of the corporation as set forth more completely in the Summer Resort Owners Act referred to in Article I.

SECTION 3. POWERS. The Board of Trustees shall have the management and control of all the business and all the property, real and personal, of the corporation and shall represent the corporation, with full power of authority to act for it in all things legal, subject only to restrictions or limitations imposed by the Bylaws of the corporation and any special restriction or limitation imposed by a vote of the members of any annual or regularly called special meeting.

SECTION 4. MARSHALL – POWERS AND COMPENSATION. The Board of Trustees may appoint a Marshall, whose duties shall be to enforce the Bylaws of the corporation. The Marshall have the authority of a deputy sheriff in maintaining peace and order in the enforcement of law on the lands under jurisdiction of the corporation. In addition, the Marshall is vested with authority to make arrests, in accordance with the law, for the violation of the Bylaws of said corporation. Compensation for the Marshall shall be fixed and paid by the corporation and the corporation alone shall be responsible for the acts of the Marshall. The Marshall may be removed at any time by a majority vote of the Trustees, with or without cause.

SECTION 5. VIOLATION, PENALTY. Any person who shall violate any of the Bylaws of the Corporation shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not to exceed \$25.00 or imprisonment in the county jail not to exceed 30 days or both. The fine shall be distributed to the same fund as other misdemeanor fines in the township where such lands may be located.

SECTION 6. AUTHORITY OF THE MARSHALL. The Marshall shall have authority to, take any person arrested before the district or municipal court of the judicial district or municipality in which the lands of the corporation are situated.

SECTION 7. WATER AND SEWAGE SYSTEMS, FIRE PROTECTION AND ELECTRICITY. The corporation shall have authority to provide a water system for its members and occupants, a sewage system, fire protection and electric light service.

SECTION 8. ANNEXATION. Lands owned by the corporation and its members may not be annexed to any city or village without the consent of a two-thirds majority of the members of the corporation, at a regular or special meeting.

SECTION 9. EXPIRATION OF TERM, CESSATION OF JURISDICTION. When a corporation, organized under this Act, shall dissolve or its terms of existence expires by limitation, all jurisdiction over streets, alleys and highways shall cease and the said streets, alleys and highways shall thereupon become dedicated to the use of the public, and in such case the lands of the member shall be cleared of all jurisdiction conferred by the provisions of the Act.

SECTION 10. USE RESTRICTIONS AND RULES.

Preamble. Intent.

The purpose of the by-laws and specifically as set forth in this Section 10 is to recognize the fundamental character and primary use of property within the jurisdictional area of the Association has been and is single family residential including, owner occupancy, seasonal vacation rentals and rentals. Securing the continuation of such character and use, subject only to the grandfathered uses, is of paramount importance and is in the best interests of the public health, safety, and welfare of the members of the Gordon Beach Homeowners Association. As such it is the intent of these by-laws and specifically this Section 10 that the grandfathered lots, grandfathered buildings and structures, and grandfathered uses (as defined in these by laws)shall not be enlarged upon, expanded or extended, nor be used as grounds for adding other buildings, structures or uses otherwise prohibited by these by-laws. Nothing in these by-laws is intended to preclude normal repairs and maintenance of any grandfathered buildings or structures. Nothing in this Section strictly requires that a single family own each property within the Association; instead, the term “single family” or “single family residential” shall be defined to refer to the type of structure and not to who owns the structure consistent with the character and use above referenced. This Section allows for the construction of single family houses as opposed to multifamily units such as town houses, condominiums, co-operatives, and/or any commercial type property, including but not limited to bed and breakfast operations.

A. Power of Nomination. The corporation, through its Board of Trustees, shall have the power to exercise and enforce any powers of nomination granted to it under Michigan law, these Bylaws, its Articles of Incorporation, and by a vote of its membership. That includes prescribing conditions and prerequisites for ownership of land within the limits of the plat of the Gordon Beach Subdivision, New Buffalo Township, Berrien County, Michigan, and having the power to formulate, effect and enforce restrictions relating to the ownership, use, occupancy, or transfer of parcels of land within the limits of the plat of the aforementioned Gordon Beach Subdivision.

B. Code and Building Restrictions. All buildings, structures, and other improvements on lots within the Association shall meet local and state codes, ordinances,

and other rulings. Before seeking a variance from any local or state code, ordinance, or other ruling for any buildings or improvements on his/her lot, the member must provide the Board of Trustees with prior written notice of the variance sought to ensure that, if deemed to be in the best interests of the Association and/or its members, the Association, through its Board, has the opportunity to present its position, in writing and/or at any hearing, to the appropriate governmental entity regarding the requested variance.

C. Residential Use. Except for the grandfathered lots (defined below), all lots within the Association shall be used for single-family residential purposes exclusively. The members that own those lots are responsible to ensure compliance with this restriction, including compliance by any family members, tenants, guests, and/or any other persons legally occupying the lot. Consistent with this restriction, no lots – other than the grandfathered lots – shall be used for a commercial purpose or business activity, nor may any owner permit such a use. This includes, but is not limited to, any dedication, establishment, and change in land use (whether requiring a special land use variance or not) resulting in any further lots in the Association that are or function as the equivalent of a bed and breakfast, cooperative, inn, condominiums (site or volume), cottage industry, or any other commercial enterprise. For the purposes of these bylaws, the rental of a single family residence or a coach house for a residential purpose shall be considered a single family residential use.

D. Grandfathered Lots. Certain lots within the Association that were already being put to non-single-family residential uses on October 4, 1996, when the members of the Association approved the original version of the use restrictions and rules incorporated into these Bylaws, are referred to herein as the “grandfathered lots.” Consistent with the purpose of maintaining the residential character of the Association, these lots shall not be used for any commercial purpose or business activity except for the use in existence as of October 4, 1996. No other commercial purpose is permitted on each of these respective lots. If the owner of a grandfathered lot ceases to use the lot for its exempt commercial use, the lot shall no longer be exempt from Association’s single-family residential use restrictions and, going forward, must comply with the other restrictions in this section. In the same vein, if the buildings being put to the exempt commercial use are removed (voluntarily or involuntarily), they shall be replaced with buildings compliant with the other restrictions in this section. The “grandfathered lots” include the Gables Cooperative, located at Gordon and Meadow Streets and leased as eight (8) vacation income properties, to the extent this cooperative maintains a membership in the Association, as well as the following:

Lot Nos. 31-33, The Sandpiper Inn, leased as a vacation or special events-based income property.

Lot Nos. 1-12 (Block G), The Gordon Beach Inn, used as a 20 room hotel/inn.

Lot No. 45, The Milfield Cottages, condominiums leased as vacation income properties.

E. Detached Buildings and Structures. Except for the exemption for the grandfathered lots, all lots within the Association shall have only one single-family dwelling of permanent construction. No other building or structure, other than this dwelling, shall be erected or maintained on any lot, except that one accessory building, in addition to a single garage (whether attached or detached), may be erected or maintained. Nothing in this Paragraph shall prohibit the building of a single, additional coach house structure with 1,000 square feet or less of living area. All structures (including, an allowable coach house) shall comply with state and local ordinances, codes, and permitting requirements; and they shall not serve as a permanent residence and not be built until construction of the primary residence has commenced. Current non-conforming structures are exempt from this restriction, provided that such structures shall not be used for any commercial purpose and, if removed (voluntarily or involuntarily), shall be replaced with structures conforming to the requirements in this paragraph.

F. Trailers, Motor Homes, and Mobile Homes. No trailer, motor home, or mobile home shall be placed or erected on any lot within the Association.

G. Division and Combination of Lots. In furtherance of the membership eligibility requirements of Article I, Section 1, no lot shall be further subdivided except as allowed under all state and local requirements. Current non-conforming lot sizes are exempt from this restriction.

H. Vehicle Storage and Use. No inoperable vehicle shall be brought or stored on a lot, either temporarily or permanently, unless kept in an enclosed garage. Unlicensed drivers are not allowed to operate any type of motor vehicle on Association common areas, including roads, pathways, or beach.

I. Business Signs. Except for permanent, existing signs on the grandfathered lots for that lot's exempt commercial purpose or business activity, no signs advertising any business shall be displayed for public view on any lot, except for signs advertising any lot or dwelling on that lot for sale or rental or signs used by a builder to locate a construction site during the construction period. No signs shall be erected or maintained by any member within the boundaries of the roadways, streets, public alleys, or common areas.

J. Removal of Landscaping. If the Board of Trustees determines that trees, hedges, shrubbery, fence, or other landscaping (or landscaping structure) on any lot must be maintained pruned, trimmed, removed, or otherwise maintained by the Association to order to keep up and maintain the safety of any of the Association common areas, pathways, and roads (including to preserve the unobstructed view by any motorist or pedestrian on such roads), the Board shall, except in an emergency situation, give the member written notice of the Association's intent to provide such necessary maintenance, repair, or replacement to his/her lot at the member's sole cost and expense. The member shall have thirty (30) days after receipt of such notice within which to complete such maintenance and, in the event that such maintenance cannot be completed within 30 days, to commence work within that 30-day period and complete the maintenance within a reasonable amount of time. If the member does not undertake such maintenance within

the required time, the Association shall provide such maintenance and assess the entire cost and expense of such maintenance to the member.

K. Beach Use. Members in good standing and their family members, occasional guests, and tenants may access and use the beach for recreational purposes subject to the Bylaws and the rules and regulations of the Association. This beach shall not be used by the general public or for any commercial purpose, nor may any member agree to permit such use. No members may grant any right of access or use of the beach, to anyone other than tenants, family members, and occasional guests. Contractors and others hired by the Board of Trustees to provide maintenance, upkeep, and other services for the Association on the beach shall also have access and use of the beach as reasonably necessary to do their work.

ARTICLE VII

CERTIFICATES

SECTION 1. STOCK. The corporation shall issue stock to its membership as outline in Section 8 of Article III of these Bylaws at the then pro rata value for a share of stock in that member's class.

SECTION 2. CERTIFICATES OF MEMBERSHIP. The Board of Trustees may provide for the issuance of certificates evidencing membership in the corporation, which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or a Vice-President, and by the Secretary or Assistant Secretary, and shall be sealed with the seal of the corporation. All certificates evidencing membership of any class shall be consecutively numbered. The name and address of each member, and the date of issuance of the certificate, shall be entered on the records of the corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefore, upon such terms and conditions as the Board of Trustees may determine.

SECTION 3. ISSUANCE OF CERTIFICATES. When a member has been elected to membership and has paid any initiation fees and dues that may then be required, a certificate of membership shall be issued in his name and delivered to him by the Secretary, if the Board of Trustees shall have provided for the issuance of certificates of membership under the provisions of Section 1 and 2 of this Article.

SECTION 4. LIENS. The corporation shall have a lien upon all stock and property of its members invested therein, for all debts due it by the members thereof.

SECTION 5. DIVIDENDS. No dividends shall be declared upon the shares of stock of this corporation.

SECTION 6. GRANT OF AUTHORITY. The members admitted to this corporation shall file with the Secretary of the corporation a writing, subscribed, witnessed and acknowledged, in accordance with the requirements of deeds, which writing shall grant to the corporation the right

to exercise all jurisdiction, conferred by this Act, over the lands owned by members of the corporation. The grant of authority to the corporation shall be duly recorded in the Office of the Register of Deeds for the County of Berrien.

ARTICLE VIII

BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account, and shall also keep minutes of the proceedings of its members and Board of Trustees, and shall keep at the registered or principal office, a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any members, his agent or attorney, for any proper purpose, at any reasonable time.

ARTICLE IX

DUES

SECTION 1. ANNUAL DUES. The Board of Trustees may require that the members pay annual dues and assessments as reasonably necessary to support the Association. However, the Association will not levy such dues or assessments until a majority of all of its members or, if allowed by a member approved resolution, a majority of the members present have voted to approve the Association's budget, including the resulting annual dues or assessments to be levied against its members to cover that budget, as well as any significant deviation from the Board's time, manner, and method of payment and collection of such dues or assessments.

When putting together the Association's budget, including the corresponding dues and/or assessments, the Board may vary the amount of the annual dues and/or assessments for its respective member(s) in the Association provided that the amount assessed to any particular member is reasonably related to further a legitimate Association interest. This may include dues that are higher for a particular member because, in the Board's reasonable discretion, the member's lot or lots place or have the potential to place a greater burden on the Association's common areas. The Board may also assess any or all members as reasonably necessary to support the Association, including to assess any member or group of members for any damage to the Association's common areas that the Board and a majority of the members present find is attributable to, and should be paid for, by that particular member or group of members (not the entire membership).

Any past-due balance of a member's annual dues and/or assessments shall automatically become and attach as a lien upon that member's stock and any lots he/she owns within the Association as of the date the amount became past due. Any member carrying such a past-due balance will be charged reasonable late fees and/or interest on that balance, as determined by the Board.

SECTION 2. PAYMENT OF DUES. Dues shall be payable in advance on the first day of June in each year. Dues of a new member shall be prorated from the first day of the month in which such new member is elected to membership, for the remainder of the fiscal year of the corporation.

SECTION 3. DEFAULT AND TERMINATION OF MEMBERSHIP. When any member of any class shall be in default in the payment of dues for the period of two (2) years from the beginning of the period of which the dues became payable, his membership may thereupon be terminated by the Board of Trustees in the manner provided in Article III of these Bylaws.

ARTICLE X

WAIVER OF NOTICE

Whenever any notice is required to be given under the revisions of the Summer Resort Owner's Act, or under the provisions of the Articles of Incorporation or the Bylaws of the corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI

AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, by a vote of the majority of the Trustees then-sitting on the Board, provided that at least two (2) days' written notice is given of the intention to alter, amend or repeal the Bylaws or to adopt new Bylaws at such meeting. All Bylaws, so established or amended by the corporation, shall take effect ten (10) days after passage and each of said Bylaws shall be posted conspicuously in three (3) public places within the jurisdictional area of the corporation, at least five (5) days before the time for taking effect and proof of such posting shall be made by an officer of the corporation and entered on the records of the corporation. Complete and accurate copies of all Bylaws shall be kept at the office of the corporation for public inspection.

ARTICLE XII

INDEMNIFICATION

SECTION 1. NON-DERIVATIVE ACTIONS. Subject to all of the other provisions of this Article, the corporation 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 the corporation), by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer 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 by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, with respect to any criminal action or proceeding, had not reasonable cause to believe his conduct was unlawful. The termination of any action, 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 he reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

SECTION 2. DERIVATIVE ACTIONS. Subject to all of the provisions of this Article, the corporation shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that such court shall deem proper.

SECTION 3. EXPENSES OF SUCCESSFUL DEFENSE. To the extent that a person has been successful on the merits or otherwise in 1 or 2 of these Bylaws, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney fees) actually and reasonably incurred by him in connection therewith.

SECTION 4. DETERMINATION THAT INDEMNIFICATION IS PROPER. Any indemnification under Section 1 or 2 of these Bylaws unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of this person is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 or 2, whichever is applicable. Such determination shall be made in any of the following ways:

- (a) By the board of a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding.
- (b) If such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.
- (c) By the shareholders.

SECTION 5. EXPENSE ADVANCE. Expenses incurred in defense of a civil or criminal action, suit or proceeding described in Sections 1 or 2 of these Bylaws may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding as authorized in the manner provided in Section 4 upon receipt of an undertaking by or on behalf of the person involved to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation.

SECTION 6. FORMER DIRECTORS AND OFFICERS. The indemnification provided in the foregoing sections continues as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of such person.

SECTION 7. INSURANCE. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have power to indemnify him against such liability under these Bylaws or the laws of the State of Michigan.

SECTION 8. CHANGES IN MICHIGAN LAW. In the event of any change or the Michigan statutory provisions applicable to the corporation relating to the subject matter of Article XII of these Bylaws, the indemnification to which any person shall be entitled hereunder shall be determined by such changed provisions. The Board of Directors is authorized to amend this Bylaw to conform to any such changed statutory provisions.

Adopted December 22, 2013
Effective January 2, 2014