

# **LAKE MICHIGAN YACHT CLUB, INC.**

OF NEW BUFFALO, MICHIGAN

## **CORPORATE BOARD POLICY**



As Restated January 17, 2009

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**RESOLUTION OF CORPORATE BOARD POLICY**

WHEREAS, the Board of Directors of Lake Michigan Yacht Club, Inc. wish to establish guidelines to define Board conduct on a uniform and consistent basis, the attached Articles Nos. 1 through 30 are hereby formally adopted and shall initially constitute Corporate Board Policy which shall be utilized for successive years; and

WHEREAS, this policy is intended to be a living document which may require revision from time to time by this or successive Boards, this Corporate Board Policy as hereby established may only be amended by a vote of three-fourth (3/4) by the Board Members, nine (9) votes required, and only after such proposed amendment(s), addition(s) or deletion(s) has (have) been proposed at a previous meeting.

FURTHER, this Corporate Board Policy, and all future modifications, shall be distributed to each Stock Owning Member.

**CORPORATE BOARD POLICY****ARTICLE 1: Slip Rental Fees**

All slip rental fees generated shall be paid to LMYC rather than to individual members. This policy will apply to fees generated from guest usage as well as fees from member “second boat” usage. (Passed 12/11/86)

**ARTICLE 2: Documentation of Club Business**

Conferences (both meetings and telephone conferences) involving official LMYC business are to be supported by a written summary of the discussion which shall be prepared by the LMYC member participant. The summary is to be filed with the Secretary. (Passed 3/21/87)

**ARTICLE 3: Hold Harmless – All Members**

All LMYC members will be required to sign an agreement holding LMYC harmless as a result of any action which occurs without regard to the cause or ultimate responsibility for the action. The Agreement will be in such form as prepared by the Secretary with the advice of counsel as approved by the Board of Directors. It will be the responsibility of the Secretary to obtain and file (with Stock Certificates) documents. (Passed 5/25/87)

**ARTICLE 4: Second Slips**

Members using multiple slips (for “second boats”, other recreational watercraft, etc.) will be charged a rental fee for such usage. All others (including Non-Stock Owning Members) who use slips(s) will also be charged a rental fee. Rates shall be as proposed by the Rear Commodore and approved by the Board of Directors. (Passed 5/26/88; Revised 7/25/88)

**ARTICLE 5: Fish Cleaning**

Portable fish cleaning stations not exceeding 2' x 4' will be allowed to be used on the dock. When not in use, such stations will be removed to the cabana side of the drive and stored in an inconspicuous and orderly manner as may be directed by the Rear Commodore. (Passed general membership 5/29/88)

**ARTICLE 6: Liability – Holding Tank Discharge**

Liability for damages resulting from holding tank discharge (without regard to weather or not the discharge was accidental or intentional) shall be borne by the individual responsible. (Passed 2/25/89; Revised 3/15/94)

**ARTICLE 7: Stock Certificate Ownership**

LMYC Stocking Owning Members shall be limited to one membership per household. (Passed 3/23/89)

**ARTICLE 8: Guest Book**

Guest roster/book must be signed by all guests using club facilities. It is the responsibility of the guest's sponsor to see that the guest is properly registered. (Passed 8/26/89; Revised 7/18/91)

**ARTICLE 9: Financial Liability - Members**

Fees and other charges owed to LMYC by individual members remain the responsibility of the member incurring same through the completion date of the sale of stock. It is the responsibility of the Secretary (after consultation with the Treasurer) to be certain that all accounts are current prior to declaring that the stock sale is final. (Passed 11/16/89)

**ARTICLE 10: Submittals for Board Consideration**

In order to be the subject of Board of Directors discussion, member complaints must be submitted to a flag officer in writing 10 days before the Board of Directors meeting. (Passed 1/17/90)

**ARTICLE 11: Dock Alterations - Electrical**

Upgrade or revisions of individual slip electrical services will be at slip owner's expense and will only be undertaken after written approval is received from the Rear Commodore. Such approval will specify the company and/or individual who have been approved to physically complete the work. (Passed 3/31/90)

**ARTICLE 12: Slip Assignments**

The following will constitute the procedure regarding slip assignment changes:

1. Slip assignment changes may occur between Stock Owning Members at any time via trade. In order to affect the change, submit a written notification to the Secretary indicating both “old” and “new” slip assignments. The notice must be signed by each of the parties involved in the trade.
2. Per the By-Laws (Article I, Section 6) opportunities exist for slip assignment trades at the time new Stock Owning Members are admitted. “For thirty (30) days following the mailing by the Secretary of the notification of stock for sale, all Stock Owning Members shall have the right to trade slip assignments with the selling Stock Owning Member(s). Such trades shall be subject to the sale of the Stock of the Stock Owning Member. If more than one Stock Owning Member desires the slip assignment of the selling Stock Owning Member, the Stock Owning Member holding the lowest numbered Stock Certificate shall prevail”. In the past, there may have been some confusion in the regard as letters of interest have been received either before or after the referenced thirty (30) day time period.

After the thirty (30) day period has expired, the Secretary will advise the “successful bidder” in writing that the slip trade has been approved subject to the sale of stock. In the event the stock is withdrawn from sale, the Secretary will further notify the “successful bidder” in writing that the bid process has been nullified. If the stock is later again placed for sale, the thirty (30) day process will be repeated.

After the initial thirty (30) day period has expired, the stock sale completed and the slip assignment made, the successful bidder’s “old” slip will be available. Once again, a thirty (30) day notice will be posted by the Secretary. At this time, all members who may be interested in slip assignment changes are to advise the Secretary in writing. This not only applies to interest in the slip number which has been posted but applies to any other change as well. Stock Owning

Members may express an interest in a specific slip or may express a general interest in moving. At the end of the thirty (30) day period, the

Stock Owning Member holding the lowest numbered Stock Certificate will be awarded the available slip. The remaining bidder(s) will then be contacted by phone in the order of their seniority to discuss available trade options.

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After all interested parties have been contacted; the new Stock Owning Member will be advised in writing by the Secretary of his/her slip assignment.

Reference By-Laws for additional criteria. (Passed 3/19/91)

**ARTICLE 13: Fueling**

Fueling of boats will only be permitted with the approval of the Rear Commodore. In order for such approval to be granted, the following must occur:

1. LMYC liability insurance shall include coverage “for on site fueling.”
2. Fueling will only be permitted on a specified day (Monday through Thursday).
3. LMYC employee to be on site and “observe” fueling operation.
4. Fuel delivery truck operator to have minimum 5 years experience. (Passed 6/15/91; Revised 12/15/94)

**ARTICLE 14: Special Assessments**

All proposed special assessments shall be submitted to the Stock Owning Members for a vote and will not be imposed without having been approved by a majority of the Stock Owning Members. (Passed 8/18/91; Revised 12/15/94)

**ARTICLE 15: Organization/Association Memberships**

LMYC to be a member of the National Yachting Association with annual dues (if any) being paid without need for further action by the Board of Directors. (Passed 10/17/91)

**ARTICLE 16: Club Rules and Regulations**

Rules and regulations for Lake Michigan Yacht Club shall include the following:

1. Club grounds and facilities are for the use of members and sponsored guests only. Members must be present at all times when guests are on Club property. Exceptions may be granted by the Rear Commodore.
2. Proper attire of shirt and/or jacket must be worn in the upstairs Clubhouse area and bar. Wet bathing suits and bare feet are not allowed upstairs in the Clubhouse.

3. Michigan law requires a person to be at least twenty-one (21) years of age to be served alcoholic beverages. Michigan law also prohibits entering or exiting a licensed establishment with open liquor containers. Only LMYC members may purchase drinks at the Clubhouse bar.
4. The doors to the Clubhouse must be locked and the entrance gate must be closed after use.
5. Gambling is not permitted in the Clubhouse.
6. 5 MPH is the maximum speed for vehicles on Club grounds.
7. Sleeping accommodations on Club grounds are on boats only. Exceptions may be granted by the Rear Commodore.
8. Parking along the dock patio is prohibited except for loading and unloading.
9. Furniture and other equipment on the dock patio must be kept toward the dune side so as to provide a clear walkway in front of the boats.
10. Cabanas must be maintained in a uniform fashion and the outward appearance cannot be altered unless approved in writing by the Rear Commodore. Nothing can be stored behind, or on the sides, or in front of the cabanas without approval.
11. No open flame fires permitted for cooking on board or off transom.
12. The normal hours (Chicago Time) of operation for the bar are:
 

Friday	6:00 p.m. to 1:00 a.m.
Saturday	6:00 p.m. to 1:00 a.m.
Sunday	5:00 p.m. to 9:00 p.m.

Additional holiday hours may be announced by the Vice Commodore as needed.

13. Pets are not permitted in the Clubhouse at any time; dogs must be leashed while on the dock patio or grounds. Droppings must be adequately disposed of.
14. Members are not allowed to store personal belongings in Clubhouse, locker rooms and junior room.

15. Use of galley facilities must be under the direct supervision of a member; unsupervised children are not allowed in the galley.
16. Trailered boats and motor homes are not allowed to be stored overnight on grounds. Exceptions may be granted by the Rear Commodore.
17. Access to the beach area is by established pathways only; climbing on the dunes on the patio side of the grounds is prohibited.

**Enforcement** - These rules and regulations are to be implemented to secure members' and guests' enjoyment, safety, order, peace, interest and welfare of the Club. Violation of the Club's By-Laws or rules can result in the suspension and ultimate termination of membership.

The process of handling any complaint will be as follows:

- Members with complaint will notify officer in charge or any member of the Board of Directors.
- The officer in charge must respond by talking to the member and asking that the rule infraction be corrected.
- The officer will submit a written report describing the action taken to the Board of Directors at the next Board of Directors meeting.
- Should further action be needed, the officer in charge will refer the matter to the House Committee who will respond to the member in writing and report to the Board of Directors at the following meeting. (Passed 11/15/91)

**ARTICLE 17: Insurance Coverage**

Insurance coverage shall include an umbrella policy in the minimum amount of \$2,000,000 which shall include liquor liability. Insurance coverages and limits shall be reviewed under the direction of the Treasurer with said review to occur during "even numbered" years. A report on the review shall be presented to the Board of Directors. (Passed 5/21/92)

**ARTICLE 18: Supplying Services - Members**

No LMYC member, nor any company wholly or partially owned by an LMYC member, shall provide goods or services to LMYC for compensation unless an exemption is granted by the Board of Directors in response to a written "special request". (Passed 12/91)



**ARTICLE 19: Initiation Fees - Accounting**

New member initiation fees are to be deposited into a special interest bearing Capital Account. Monies may only be withdrawn from said account to be used for capital projects approved by the Board of Directors, and to pay down debt incurred for such capital projects. (Passed 12/91; Revised 2/17/05)

**ARTICLE 20: Board Authorized Expenditures**

Board of Directors may authorize previously non-budgeted, non-emergency expenditures up to and including \$5,000 for each such expenditure without membership approval. (Passed 9/89 board meeting; passed 9/89 general membership meeting)

**ARTICLE 21: Watercraft Ownership - Proof**

In order to document yacht ownership, beginning in 1992, all members shall submit copies of registration and documentation to the Treasurer along with their slip fee payments. Also, insurance certificates are to be submitted at the time demonstrating appropriate coverage. To enforce submittal information will be treated as part of the slip fees. In other words, the \$50 fine rule will be applied if registration and/or insurance information is incomplete or not submitted even though that member may have submitted payment for slip fees.

**ARTICLE 22: Visiting Yachtsmen Rules**

Regarding visiting yachtsmen slip rentals; the following procedures are hereby established and should be posted each spring by the Rear Commodore on the Bulletin Board:

1. LMYC is a private yacht club that does not accept non-sponsored transients, except in emergency situations.
2. Sponsored Yachtsmen are welcome subject to the following restrictions:
  - a. The visitor must reserve a slip in advance through the Rear Commodore or Club Manager.
  - b. The visitor must be sponsored by an LMYC Stock Owning Member who will be responsible for the visitor.
  - c. The sponsor must be present for the majority of the visitor's stay. If the sponsor will not be present during the visitor's stay, the sponsor must designate another Stock Owning Member to accept the responsibility, and that member must be present a majority of the time the visitor is at LMYC.
3. Visits are limited to two (2) per year excluding organized group visits.

4. Each visit should not exceed three (3) nights continuous mooring. The Rear Commodore or Club Manager must approve visits exceeding three (3) nights. Extended lengths of stay should be considered based on extenuating circumstances (i.e.; foul weather, disabled vessel, etc. – casual dockage is not intended).
5. A visitor's roster will be maintained on the Club's Bulletin Board. It will be the responsibility of the Club Manager, at the direction of the Rear Commodore, to keep the roster current. The roster shall include:
  - a. Name of the yacht.
  - b. Name of the skipper.
  - c. Name of the Sponsor or designee
  - d. Slip assignment.
  - e. Date of arrival
  - f. Date of departure.
6. Daily Fees will be \$75 or \$1 per foot of boat length (which is ever greater). Checkout time is 12:00 noon (CST) (Passed 12/12/91; Revised 1/16/97; Revised 2007)

**ARTICLE 23: Non-Discriminatory Membership Practices**

The Lake Michigan Yacht Club does not discriminate in its membership policy on the basis of sex, race, religion, or national origin. (Passed 11/99)

**ARTICLE 24: Corporate Board Policy Review**

The complete "Corporate Board Policy" will be reviewed (and briefly discussed) by the Board of Directors at the first meeting of each New Year. The Secretary or his/her designee will lead the discussion. (Passed 11/03)

**ARTICLE 25: Nominating Committee**

The Nominating Committee established under By-Laws (Article VIII, "Elections and Voting", Section 1) will consist solely of members who have previously served LMYC as an Officer or Director. (Passed 11/03) (Revised 01/07)

**ARTICLE 26: Private Party Policy**

1. Any member of LMYC in good standing may request a private party by submitting a written request at least sixty (60) days before the date of the proposed party indicating the date of the party, number of guests and other details to the Vice Commodore. The Vice Commodore will respond in writing within fourteen (14) days of receipt of the private party request.
2. Private parties will be allowed in the clubhouse on Sunday through Thursday during the months the Clubhouse is open. Private parties will not be allowed on Friday or Saturday.
3. In accordance with Michigan law, the member sponsoring the party must use a bartender employed by LMYC and must use alcohol purchased by LMYC at a price corresponding to drink prices currently in effect. Members will be able to use “bar books” to purchase beverages from LMYC at private parties.
4. The number of guests attending a private party shall be limited to the available seats in the dining room as allowed by the legal occupancy limit.
5. The member sponsoring a private party will be responsible for all expenses including, but not limited to, bartender, set-up, clean-up, food and beverage expenses and any damages or repairs.

**ARTICLE 27: Mandatory Membership Survey**

Beginning in 2008, no later than August of every even numbered year, the Membership is to be “officially” surveyed on a variety of issues then current. It will be the responsibility of the Commodore and the Secretary to prepare the Survey and present same to the Board for approval prior to presentation to the Membership. Survey results are to be forwarded to the Membership in November of the same year, along with the Board’s determination of what action will be taken.

**Article 28: Policy on Conflicts of Interest**

Beginning in 2008, Officers and Directors will be requested to sign the “Policy on Conflicts of Interest and Disclosure of Certain Interests” which is attached hereto as Exhibit A. (Passed 6/07)

**Article 29: Board of Director’s Quorum and Voting Procedures**

Directors will be allowed to attend and vote at Board of Director’s meetings if they are able to participate by telephone, e-mail, instant messaging or telephone/internet conferencing. (Passed 01/09)

**Article 30: Payment of Annual Billing in Year of Stock Sale**

At the beginning of each year the Lake Michigan Yacht Club issues an Annual Billing to all members. The Stock Owning Members billing includes, but is not limited to, a capital call, member dues, slip fees and bar books, which is the financial obligation of the Stock Owning Member. The Annual Billing for Associate and Non Stock Owning Members includes, but is not limited to, member dues and bar books which is the financial obligation of the Associate and Non Stock Owning Members.

If the closing of the sale of stock occurs before the opening of the Club, as indicated in the Annual Activities Calendar, there will be one Annual Billing due from the Selling Stock Owning Member and none due from the New Stock Owning Member.

If a closing of a sale of stock occurs after the opening of the Club, as indicated in the Annual Activities Calendar, the Selling Stock Owning Member will be responsible for the Annual Billing and the New Stock Owning Member will pay a prorated amount of the Annual Billing based on a proration of the Annual Billing for the number of days of membership from the date of the stock sale closing to the date the Club closes, as indicated in the Annual Activities Calendar. Bar books will be issued based on the proration. If the New Stock Owning member is an Associate or Non Stock Owning Member and have paid their applicable Annual Billing and are in good standing, a credit will be given for the amount of their Annual Billing (less the amount paid for bar books) in the year they purchase stock. No refunds of all or part of the Annual Billing will be given.

If the closing of the stock sale occurs after the closing of the Club, as indicated in the Annual Activities Calendar, the Selling Stock Owning Member is responsible for payment of the Annual Billing. The New Stock Owning Member will be responsible for the payment of the Annual Billing for the next calendar year.

All unpaid Annual Billings, Special Assessments and other amounts due the Club must be paid before a new stock certificate is issued.

Passed (06/18/09)

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