

# GEORGETOWN COUNTRY CLUB, INC.

## BY-LAWS

### ARTICLE 1

#### Name, Location and Authority

- Section 1** The name of the organization shall be THE GEORGETOWN COUNTRY CLUB, INC., hereinafter referred to as the “Corporation”.
- Section 2** The premises owned and operated by the Corporation are located in the City of Ann Arbor, Washtenaw County, Michigan, as described in the deed of conveyance to the Corporation.
- Section 3** This Corporation is a non-profit corporation, organized in the State of Michigan and governed by the provisions of the Michigan Nonprofit Corporation Act 450 MCL 2101 et seq. (the “Act”).

### ARTICLE II

#### Object of Corporation

- Section 1** To provide family recreation facilities including, but not limited to, a golf course, tennis court, club house and swimming pool for the mutual benefit of all of the members; to do all acts and things necessary or incidental to the administration, management, operation, maintenance, repair, replacement, improvement of the facilities of the corporation, including without limitation, the power to perform and carry out contracts necessary to or in conjunction with, or incidental to the accomplishment of the non-profit purposes of the corporation.

### ARTICLE III

#### Directors, Officers and Management

- Section 1** The Corporation shall be permanently managed by a Board of Directors, which shall consist of nine (9) persons elected by the Members of the Corporation. The election shall occur at the Annual Meeting. Three new Directors shall be elected each year for a three-year term.
- Section 2** The Board of Directors shall, after the Annual Meeting of the Members, elect from its own number a President, Vice President, Treasurer and Secretary, all of whom shall serve until the succeeding Annual Meeting of the Board of Directors, or until their successors shall have been elected and qualified. The duties of said officers shall be as follows:

**A. The President:** The President shall be the chief executive officer of the Corporation. He/she shall preside at all meetings of the Members and the Board of Directors; he/she shall appoint all committees with the consent and approval of the Board and shall be ex-officio member of said committees; and shall make annual reports to the Members as required by statute, and shall exercise generally all of the powers and perform the duties of supervision and management usually vested in the office of President of a Corporation of this character.

**B. The Vice President:** In the absence, or unwillingness, or inability of the President to act, the Vice President shall perform all of his/her duties, and if the office of President shall become vacant, the Vice President shall hold the office of President until the vacancy shall be filled by the Board of Directors.

**C. The Secretary:** The Secretary shall preserve in books of the Corporation, true minutes of the proceedings of all Membership and Directors meetings; he/she shall give all notices required by statute, By-Law or resolution; he/she shall conduct or cause to be conducted all official correspondence of the Corporation, and generally shall perform such other duties as may be delegated to him/her by the Board of Directors.

**D. The Treasurer:** A qualified business manager and/or accounting firm shall be employed by the Board to maintain custody of all Corporation funds and securities, prepare and file tax returns, and shall keep in books belonging to the Corporation, full and accurate accounts of all receipts and disbursements. The Treasurer shall render to the President or Board of Directors a summary of the routine transactions of the Corporation and shall make recommendations concerning future use of financial resources. He/she shall be responsible for preparing and submitting annual reports to the Members.

**Section 3** The Board of Directors is empowered from time to time to make, establish, publish and enforce such rules and regulations as it may deem necessary or desirable for the proper conduct of the Corporation and its affairs, so long as such rules and regulations do not conflict with the By-Laws, Articles of Incorporation or Statutes of the State of Michigan.

**Section 4** The Board of Directors shall have the power to employ, remove or suspend such agents and employees of the Corporation as it may deem fit; and to determine their duties and to provide for or change their compensation; to determine who shall be authorized on behalf of the Corporation, to sign checks, notes, deeds, leases, mortgages, contracts and other documents and to sell, lease, mortgage, pledge, convey, release, surrender or otherwise dispose of property belonging to the Corporation according to the authorizations and limitations on such acts as herein otherwise provided. The purchase, lease, mortgaging, pledging or sale of real or personal property having a value in excess of twenty five thousand dollars (\$25,000) shall be made by the Board of Directors only after membership approval of such transaction as hereinafter set forth. The Board of Directors has the authority to make expenditures for emergency repairs without membership approval. In addition, the Board of Directors has the authority, without membership approval, to authorize improvements in the Facilities of the Corporation in an amount, in any one transaction, not to exceed twenty five thousand dollars (\$25,000).

**Section 5** The Board of Directors shall have the right to determine what portion of the membership dues shall be applied as a capital contribution and what portion shall be applied toward operation of the Facilities.

**Section 6** A majority of the nine member Board of Directors of this Corporation shall constitute a quorum.

**Section 7** The Board of Directors shall meet not less than quarterly at such time and place as it deems advisable. The President of this Corporation may call a special meeting of the Board of Directors at any time he/she deems it advisable, and must call a special meeting upon the written request of any three (3) members of the Board of Directors. Notice of regular and special meetings shall be conveyed to all Board Directors by mail, email or telephone as appropriate.

**Section 8** All officers and employees having custody and control of the funds or securities of the Corporation shall be required to provide a detailed written accounting of such funds upon the request of the Treasurer.

**Section 9** The Board of Directors shall adopt a working budget for each forthcoming fiscal year to be adopted no later than November 1 of the preceding year.

**Section 10** The number and terms of nominees who are elected each calendar year to the Board of Directors are as follows:  
Each three (3) nominees will be elected to the Board for 3-year terms. No Director shall serve more than two consecutive full terms.

**Section 11** Replacement of Members of the Board of Directors when and if necessary, shall pass to the next available candidate who received the highest number of votes at the last election. He/she shall fill only

the remaining term of the departing Member. In the absence of available candidates as described above, the Board of Directors shall fill the vacancy as provided by statute.

**Section 12** The Directors or the members of any committee of the Board, may participate in a meeting of the Board, or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

**Section 13** Any action required or permitted to be taken at any meeting of the Board, or of any committee of the Board, may be taken without a formal meeting if a majority of members of the Board or committee consent thereto. Such actions shall be included in the next formal meeting minutes. Decisions that are required or permitted by the Board are not to be voted on by members at large who attend meetings. Members may attend any meeting to provide input or to voice concerns but are not allowed to vote as Directors.

## **ARTICLE IV Nominating for Directors**

**Section 1** A Nominating Committee, consisting of not less than two (2) nor more than four (4) members in good standing, not more than one (1) of whom shall be a Member of the Board of Directors, shall be appointed by the President, with the consent and approval of the Board of Directors not later than August 15 each year. If a Director appointed to such Committee, such Director shall not be eligible for nomination by such Committee.

**Section 2** Members whose membership fees are paid and who are current in the annual dues shall be deemed to be in good standing for purposes of these By-Laws. Members in good standing shall be eligible for nomination and election as Directors. No Member shall be considered who is not in good standing.

**Section 3** It shall be the duty of the Nominating Committee to select and report, in writing, to the Secretary by September 15, its selection of nominees. To the extent that it is feasible to do so, the number of nominees shall be twice the number of Directors to be elected at the Annual Meeting of Members. Any member in good standing may volunteer as a nominee and may have his/her name added to the ballot provided the member indicates his/her interest in writing to the Board Secretary by September 15. The names of those nominated shall be posted by the Secretary on all the bulletin boards of the Corporation premises and included in the notice of the Annual Meeting mailed to the Members. All candidates shall provide a written statement of their interest for publication in the newsletter preceding the election.

The President shall, at least one (1) day prior to the meeting, appoint three (3) members of the Corporation who are in good standing to be judges of the election. Each member voting shall write the names of the nominees whom he/she desires to vote on a ballot to be provided by the Secretary.

If the ballot is of a type which has printed thereon the names of the nominees, each member voting shall place an "X" mark opposite the names of the nominees for whom he/she desires to vote. No ballot shall be counted upon which a greater number of nominees are voted for than the number to be elected. Cumulative voting is not permitted. Each ballot must contain the name, as it appears on the books of the Corporation, and signature of the member in good standing for whom the ballot is being submitted.

Such ballots shall be collected under the supervision of the judges of the election. The votes shall then be counted by all of the judges of the election and the result reported to the President in writing, signed by the three (3) judges. The President shall thereupon announce the result to the Members

assembled at the meeting. The nominees receiving the greatest number of votes will be elected to the Board.

## **ARTICLE V Membership**

**Section 1** Membership, with the rights and privileges as outlined by the Articles of Incorporation and By-Laws, as well as such lawful privileges deemed appropriate by the Board of Directors, shall be conferred on those individuals and families who have paid their membership fee in full and are current with respect to their annual dues. Initial memberships begin at the time that membership fees and annual dues are paid in full and continue until the following 1<sup>st</sup> of April. Membership fees may be paid on an installment plan as determined by the Board of Directors. Those prospective members choosing to pay the membership fees on an installment basis shall have full use of the club, however, the right to vote and hold Board position is reserved for members who are paid in full. A membership cannot be sold, transferred, bequeathed or turned in for resale.

**Section 2** Failure to pay the membership fees in full, or to pay the yearly installments on the membership fees, or failure to pay the annual dues by March 31<sup>st</sup> of the current year shall cause a membership to expire. When a membership expires, all membership rights and privileges are lost and a person/family no longer has the use of the facilities.

A member may request to continue his/her membership without use of the facilities. Upon this request, and payment of an inactive fee the current member will preserve the membership in an "inactive status". The Board of Directors shall determine the "inactive fee". The member may not stay in an inactive status for more than one year. Memberships in an inactive status will not have use of the facilities or voting privileges.

In the event a membership is allowed to expire, that membership will become null and void. Members who allow their memberships to expire, and who subsequently desire membership will need to apply as a new member and will be subject to the usual membership fees and annual dues required of new members.

**Section 3** The Board of Directors will establish the number of memberships available for the upcoming season in November of the preceding season. The Board will establish the number of available memberships ensuring sufficient memberships to cover operating costs established in the approved budget for the upcoming season.

Once all available memberships are sold, no more memberships will be sold without a consenting vote by the Board of Directors to increase the available number of memberships for that season.

In conjunction with setting the number of available memberships, the Board will determine the value of each membership. The price for a membership will be based upon current demand and estimated value of a Club membership.

## **ARTICLE VI Membership Meetings**

**Section 1** Annual membership meetings shall be held between November 1 and December 15 as determined by the Board of Directors of the Corporation. Notice of the time and place of any such Annual Meeting and of any appropriate business to be transacted at such meeting shall be given by the Board of Directors by mailing to the home of each member in good standing on the record date. Such notice must be mailed at

least fifteen (15) days prior to such regular meeting. Special meetings may be called at any time by the President, or shall be called by him/her upon written notice of fifty (50) members in good standing. Notice of such special meetings shall be given in the same manner as prescribed above for annual meetings. The Secretary shall place upon the agenda any item requested in writing by a Member in good standing received at least twenty (20) days prior to the meeting.

- Section 2** Twenty percent (20%) of the members eligible to vote shall constitute a quorum for any regular or special meeting of the Membership provided, however, that if upon proper call a quorum is not present, the meeting shall be allowed to continue upon two thirds vote of Board of Directors. If two thirds vote of the Board of Directors is not accomplished the meeting shall be recalled by mailing written notice thereof to the home of each member eligible to vote at least five (5) days prior to the time of the meeting as recalled, and the quorum for the recalled meeting shall be ten percent (10%).
- Section 3** At any meeting of the Members, only Members entitled to vote under the provisions of these By-Laws shall having voting rights at such meetings. Voting shall be in person or by written ballot signed by the members as the name appears on the books of the Corporation and delivered to the Secretary prior to the meeting.
- Section 4** In order that the Corporation may determine the members entitled to notice of or to vote at any meeting of members or any adjournment thereof, or to express consent to corporate action, in writing, without a meeting, the Board shall fix, in advance, a record date, which shall not be more than sixty (60) or less than ten (10) days before the date of such meeting, or more than sixty (60) days prior to any such action.)
- Section 5** Only members in good standing on the record date shall be entitled to notice and to vote any regular or special meeting of the membership.
- Section 6** As required by the Act, the Secretary or an appointed representative shall prepare an alphabetical list of the names and addresses of all members entitled to vote at any membership meeting, as of the record date for such meeting, and shall produce such list at such meeting, and make the same available for inspection by any member immediately prior to and during said meeting.
- Section 7** Meetings shall be governed by Roberts Rules of Order.
- Section 8** A majority vote of the eligible membership of this Corporation present and voting at a properly held meeting thereof shall be necessary to authorize any contract for the purchase, sale or encumbrance of real estate, or any arrangement involving the expenditure by, or obligation of, this Corporation of an amount exceeding the sum of twenty five thousand dollars (\$25,000), exclusive of transactions based upon emergency repairs to facilities of this Corporation. Where any transaction is duly approved by the membership as above provided, the mechanics to implement that decision may be made by the Board of Directors, such as the borrowing of money, authorizing promissory notes, authorizing mortgages or other liens upon property, real or person, of this Corporation as security for said notes.
- Section 9** A majority vote of the membership of this Corporation present and voting at a properly held meeting thereof shall be necessary to authorize the payment of any salary, wage or other compensation to any officer, director or member of this Corporation other than the granting of one third annual dues following one year service on the Board; provided, however, that the above shall not apply to reimbursement of out-of-pocket expenses of any of the above resulting from activities on behalf of this Corporation except as limited by the immediately preceding section thereof, and shall not apply to any salary, wage, or other compensation paid to any working employee engaged in the operation or maintenance of the Facilities.
- Section 10** Each membership shall be entitled to one (1) vote, subject to the limitations described below. A membership shall be held in the name of one person who is listed as the owner on the books of the Corporation according to procedures established from time to time by the Board of Directors. When a

membership is first taken out, it shall be listed in the name of one person, hereinafter referred to as “the Member”, and that member or his assignees, shall be the one who is permitted to transfer the interest according to the terms of Section 4 of this Article V of the By-Laws. A Member may vote his/her Membership or may designate another Member within his/her membership to vote that Membership if it is a family or multi-person membership.

## **ARTICLE VII Dues and Assessments**

**Section 1** The Board of Directors shall have the authority from time to time to, designate additional membership fees, change annual dues, and may establish limits on membership as it deems appropriate. It may also determine the time and method of payment thereof. The amount of annual dues shall be fixed at such amount so that the total revenue from all sources of the Corporation shall be sufficient to pay for all current and anticipated costs of operating and maintaining the Facilities, including salaries of employees engaged in the operation of the Facilities, maintenance, taxes, and, in addition any installment obligations of the Corporation. If additional monies are deemed necessary by the Board of Directors for current operating expenses of the Facilities, they shall be raised by assessment levied against the Members. Construction of new Facilities or major replacement shall be raised by assessment levied against the Members upon approval of the Membership, by use of Membership fees or suitable financing arrangements. Failure to pay timely assessments and fees will result in termination of membership.

**Section 2** Only Members in good standing and Members of the immediate family of such member who holds a Family Membership or significant others of those members who hold a “Two Person” membership shall be entitled to the use of the Facilities. Occasional guests of such Members may be permitted to use such Facilities on such terms, conditions, and payments as may be set by the Board of Directors from time to time. The Board of Directors reserves the right to grant “Use of the Facilities” privileges to those full or part time employees of the Corporation as deemed appropriate by the Board. The Use of Facilities privileges do not constitute membership to the Corporation with its attendant rights and privileges, including voting in membership elections. The Use of Facility privilege must be renewed on a year by year basis by the Board of Directors and can be terminated any time by the Board of Directors without cause.

## **ARTICLE VIII Membership Conduct**

**Section 1** A member of this Corporation shall be considered a representative of the Corporation in his/her use of said Facilities and shall conduct him/herself according to the standards and rules adopted and published from time to time by the Board of Directors. The Members and their associates shall, at all times, abide by all such rules and regulations imposed from time to time by the board of Directors so as to result in the operation of a high standard Facility. Members and associates shall be governed by the sanctions set forth in Article IX.

## **ARTICLE IX Complaint Procedures**

**Section 1** Complaints against Members of the Corporations or associates are limited to violations of the By-Laws or the rules and regulations of the Corporation or for unbecoming conduct in connection with activities

at the Facilities, and shall be made in writing to the Board of Directors and signed by the complaining Member. If the Board of Directors shall consider the charges of so serious and important as to warrant a hearing, it shall notify, in writing, the complainant and the person charged, to appear before the Board for a hearing on a date at least ten (10) days subsequent to the notice. The notice shall set forth the nature of the charges. The member or associate charged shall have the right to appear at such meeting in person and/or by representative to be confronted by and cross examine the complainant and any other witness and to introduce evidence and to make a statement in his/her own defense.

**Section 2** The penalties for unbecoming conduct or for violation of the By-Laws or the rules and regulations of the Corporation by a member or one of his/her associates, shall be the denial of the use of the Facilities to such member and all of his/her associates, with like effect as though such member were a non-dues paying member for the period of such penalty. The affirmative vote of two-thirds (2/3) of the members of the Board present shall be necessary for the imposition of a penalty. In the case of penalty, the board shall, by its vote, specify the length of time thereof. With repeated offences by a member and/or his/her associates, the Board of Directors reserves the right to revoke and terminate a membership without compensation.

## **ARTICLE X Amendment of By-Laws**

**Section 1** The By-Laws of this Corporation may be amended at any annual meeting of the Members of the Corporation, or any special meeting called by that purpose, by a majority vote of the Members voting at such meeting. Such changes will take effect immediately.

**Section 2** Amendments of the By-Laws may be proposed in writing by the Board of Directors, or by not less than ten percent (10%) of the members in good standing. Such proposed amendments of by-Laws shall be filed with the Secretary and shall be set forth in the notice of the meeting at which the same are to be considered. At any meeting which such amendments of By-Laws are being considered, the same may be adopted as proposed, or as the same may be revised pursuant to motions from the floor, or rejected according to the votes cast on the issue.

## **ARTICLE XI Adoption of Initial By-Laws**

**Section 1** The first Board of Directors elected by the Members shall at its first Directors meeting adopt this initial set of By-Laws for the Corporation.

## **ARTICLE XII Fiscal Year**

**Section 1** The fiscal year shall be November 1 through October 31.

## **ARTICLE XIII 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. This includes any civil, criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of the Corporation). Such indemnification shall apply only to a person who was or is a Director or officer of the Corporation. The person shall be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit, or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its Members. With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or on a plea of nolo contendere or its equivalent, shall not by itself create a presumption that (a) the person did not act in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her 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 because the person was or is a Director or officer of the Corporation. The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation or its Members. However, indemnification shall not be made for any claim, issue, or matter in which the person has been found liable to the Corporation unless and only to the extent that the court in which such action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses that the court considers proper.

Section 3 *Expenses of Successful Defense.* To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in sections 1 or 2 of this article, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this Article.

Section 4 *Contract Right; Limitation on Indemnity.* The right to indemnification conferred in this article shall be a contract right and shall apply to services of a Director or officer as an employee or agent of the corporation as well as in such person's capacity as a Director or officer. Except as provided in Section 3 of this Article, the Corporation shall have no obligations under this Article to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the Board.

- Section 5 *Determination That Indemnification is Proper.* Any indemnification under Sections 1 or 2 of this article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case. The Corporation must determine that indemnification of the person is proper in the circumstances because the person 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 a majority vote of a quorum of the Board consisting of Directors who were not parties to such action, suit, or proceeding.
  - B. If the quorum described in clause (a) above is not obtainable, then by a committee of Directors who are not parties to the action. The committee shall consist of not less than two disinterested Directors.
  - C. By independent legal counsel in a written opinion.
- Section 6 *Proportionate Indemnity.* If a person is entitled to indemnification under Sections 1 or 2 of this Article for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, the Corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.
- Section 7 *Expense Advance.* Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Sections 1 or 2 of this Article may be paid by the Corporation in advance of the final disposition of the action, suit, or proceeding, on receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the Corporation. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but need not be secured.
- Section 8 *Nonexclusively of Rights.* The indemnification or advancement of expenses provided under this Article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.
- Section 9 *Indemnification of Employees, Agents, and/or Volunteers of the Corporation.* The corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee, agent, or volunteer of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of Directors and officers of the Corporation.
- Section 10 *Former Directors and Officers.* The indemnification provided in this Article continues for a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors, and administrators of that person.
- Section 11 *Insurance.* The Corporation may purchase and maintain insurance on behalf of any person who was or is a Director, officer, employee, or agent of the Corporation. Such insurance may protect against any liability asserted against the person and incurred by him or her status as such, whether or not the Corporation would have power to indemnify against such liability under this article or the laws of the state of Michigan.
- Section 12 *Changes in Michigan Law.* If there are any changes in the Michigan statutory provisions applicable to the Corporation and relating to the subject matter of this Article, then the indemnification to which any person shall be entitled shall be determined by such changed provisions, but only to the

extent that any such change permits the Corporation to provide broader indemnification rights than such provisions permitted the Corporation to provide before any such change.

Approved and Revised March, 2006