

**BY-LAWS OF
THE LAKE FOREST CLUB¹**

**ARTICLE I
PURPOSE**

The purpose of The Lake Forest Club (“Club”) is to provide tennis, swimming, platform tennis, dining and social facilities to its members at 554 North Westmoreland Road, Lake Forest, IL 60045.

**ARTICLE II
MEMBERSHIP**

Section 1. General Provisions

1.1 The rights and privileges of members shall at all times be subject to these By-laws, the Club’s Rules and Regulations, and any changes hereinafter adopted.

1.2 No person shall be allowed to exercise any privileges at the Club until duly elected to membership and after payment of all required initiation and membership fees and, as required by these Bylaws, purchase of a Bond, as described in Article IV, at the rates in effect at the time of the application.

1.3 All rights to exercise Club privileges shall cease upon the termination of a person's membership as defined in Section 12 of this Article.

Section 2. Classes of Membership

The membership shall be divided into eight classes, of which four are voting (Family, Individual, Junior Family and Junior Individual) and four are non-voting (Honorary, Lifetime Social/Member Emeritus, Non-Resident and Social Dining). The eight classes are described in Sections 3, 4, 6, 7, 8 and 9 of this Article, and the sizes of their respective initiation fees, Bonds, monthly dues and minimum dining requirements are described in Section 5 of this Article.

Section 3. Family Membership

3.1 A married couple or single parent may purchase a Family Membership which entitles that family to all membership privileges, including the Clubhouse, social activities, athletic facilities and participation on Club teams and in the winter platform tennis program. Prior to admission to membership, these members shall pay an initiation fee and purchase a Bond. Upon admission to membership, members shall have voting rights, pay monthly dues, special assessments and minimum dining requirements pursuant to Article V. Family Membership shall entitle such members and their unmarried children under the age of 30 and living in the member's household to all of the privileges and uses of the Club.

¹ Effective as of December 13, 2017

Senior Family Membership

3.2 A member assuming senior Family Membership must be in good standing, and have been a member for a minimum of ten years with no children under the age of sixteen as family members of the Club. Those children shall not be allowed to participate on any Club athletic teams representing the Club but may participate in any other Club activity by paying the appropriate activity fee. Senior Family Membership entitles the Senior Member to all Family Member privileges.

Provisional Family Membership

3.3 Membership class is limited up to the amount of open bonds available each April 1st with a duration to be determined by the Board of directors but in no case will be longer than twelve months. A family seeking a Provisional Family Membership may do so only with the sponsorship of one existing member in good standing. They may only apply for such class of membership one time and such membership shall terminate upon the expiration of the agreed upon initial term. This class will not be required to purchase a bond, have no voting rights, and may be limited in their use of the club facilities and programs. Prior to admission, an initiation fee and completed application (signed by the sponsor) are required. Upon acceptance, all family dues and set minimums apply. This class will not have assessment requirements.

Junior Family Membership

3.4 A married couple or single parent who is under the age of 36 (based upon the oldest member's age) may purchase a Junior Family Membership which entitles that family to all membership privileges, including the Clubhouse, social activities, athletic facilities and participation on Club teams and in the winter platform tennis program. Prior to admission to membership, these members shall pay an initiation fee and commit to purchase a Bond (payable over the first two years of membership). Upon admission to membership, members shall have voting rights (once the Bond is paid in full), pay monthly dues, special assessments and minimum dining requirements pursuant to Article V. Junior Family Membership shall entitle such members and their unmarried children under the age of 30 living in the member's household to all of the privileges and uses of the Club.

Section 4. Individual Membership

4.1 An individual who is 21 years of age or older may purchase an Individual Membership, which entitles the member to all Family Membership privileges, except that no such privileges are allowed to members of the Individual Member's family. An Individual Member is not allowed athletic guest privileges for a spouse or any family member, except that an Individual Member may on five occasions each year bring a spouse as a paid guest.

Prior to admission to membership, an Individual Member shall pay an initiation fee and purchase a Bond. Upon admission to membership, members shall have voting rights, pay

monthly dues, special assessments and minimum dining requirements pursuant to Article V.

An Individual Member who desires to convert to a Family Membership must obtain Board approval and is required to pay the remaining one half of the Family Member initiation fee which was in force at the time of becoming an Individual Member. An Individual Member who once had a Family Membership may convert to a Family Membership with approval of the Board and by resuming the payment of Family Member dues.

Senior Individual Membership

4.2 A member assuming Senior Individual Membership must be in good standing, and have been a member for a minimum of ten years with no children or spouse as members. Senior Individual Membership entitles the member to all Family Member privileges.

Junior Individual Membership

4.3 An individual who is under the age of 36 may purchase a Junior Individual Membership, which entitles the member to all Individual Membership privileges, except that no such privileges are allowed to members of the Individual Member's family. A junior Individual Member is not allowed athletic guest privileges for a spouse or any family member, except that a Junior Individual Member may on five occasions each year bring a spouse as a paid guest.

For admission to membership, a Junior Individual Member shall pay an initiation fee and commit to payment of a Bond (payable over the first two years of membership). Upon admission to membership, members shall have voting rights (once the Bond is paid in full), pay monthly dues, special assessments and minimum dining requirements pursuant to Article V.

A Junior Individual Member who desires to convert to a Family Membership or Junior Family Membership must obtain Board approval and is required to pay the remaining initiation fee which was in force at the time of becoming a Junior Individual Member.

Section 5. Initiation fees, Bonds, monthly dues, minimum dining requirements and special assessments of Family Members and Individual Members

For convenience, this Section summarizes the initiation fees, Bonds, monthly dues, minimum dining requirements and special assessments required to be paid by Family Members and Individual Members. In the event of conflict between this Section and any other Section of these By-laws, the latter will prevail.

Family Membership

Initiation fee	\$ 10,000
Bond	\$ 4,000
Monthly dues	\$ 370
Minimum dining requirement	\$ 1100 yearly beginning each April 1

Senior Family Membership

Bond	\$ 4,000
Monthly dues	\$ 240
Minimum dining requirement	\$ 1100 yearly beginning each April 1

Junior Family Membership

Initiation Fee	\$ 2,000
Bond	\$ 4,000
Monthly dues	\$ 300 (until oldest member turns 36 years of age)
Minimum dining requirement	50% of Family Membership Minimum dining requirement

Individual Membership

Initiation fee	\$ 5,000
Bond	\$ 4,000
Monthly dues	\$ 235
Minimum dining requirement	\$ 550 yearly beginning each April 1

Senior Individual Membership

Bond	\$ 4,000
Monthly dues	\$ 170
Minimum dining requirement	\$ 550 yearly beginning each April 1

Junior Individual Membership

Initiation Fee	\$ 1,000
Bond	\$ 4,000
Monthly dues	\$ 200 (until oldest member turns 36 years of age)
Minimum dining requirement	50% of Family Membership Minimum dining requirement

Social Dining Membership

Initiation fee	\$ 1,000	For new members
Bond	\$ 0	
Monthly dues	\$ 99	
Minimum dining requirement	\$ 1100	yearly beginning each April 1

Member Emeritus

Bond	\$ 0	
Monthly dues	\$ 0	
Minimum dining requirement	Corresponds to Member Status	
Prepaid guest fees	\$ 1,000	/yr (payable monthly)

Section 6. Honorary Membership

An Honorary Membership may be granted by the Board. Honorary Membership entitles the member to all Family Member privileges. An Honorary Member shall not be required to purchase a Bond and shall pay no initiation fee, monthly dues, special assessments or dining minimum, but shall pay all activity fees. The number of Honorary Memberships shall not exceed ten, and shall be renewed each year at the April Board Meeting.

Section 7. Lifetime Social Membership/Members Emeritus Membership

A Member Emeritus must have been a Past President who has served at least a one year term as President status prior to 2004. Such members resigned their current memberships and relinquished their Bond. Member Emeritus membership entitles the member and his/her family members to participate on teams, for the payment of a prepaid guest fee of \$1,000 per year (payable monthly), and will be subject to dining minimums that correspond to their membership status (family, individual, senior, etc.). As is the case with all other Club fees, the level of this prepaid guest fee and dining minimum will be subject to change in the future at the Board's discretion. Lifetime Social membership will be granted to any Founding Member or Past Presidents elected after 2004 once that person resigns his membership as a courtesy. Lifetime Social status will allow resigned Past Presidents from 2004 onward, the use of the dining room and to attend social functions. Neither the Past President nor their family members will be allowed to use the athletic facilities or participate on any Club teams.

Section 8. Non-Resident Membership

A Family or Individual Member who is in good standing may elect in writing to convert to Non-Resident Membership upon relocating their principal residence more than 100 miles from the Club. A Non-Resident Member shall pay the annual dues so designated for this membership class quarterly each year and annually provide the Club Manager

with acceptable verification (e.g., driver's license or tax records) of their principal residence. Non-Resident Members are entitled to the privileges accorded the membership class from which they transferred. Such members must retain their Bond, but shall not be responsible for monthly dues, special assessments or dining minimum.

If a Non-Resident Member returns to and temporarily resides in the area and regularly uses the Club's facilities, then monthly dues for those months will be charged. A Non-resident Member must revert to their former membership class upon relocating their principal residence within 100 miles of the Club.

Section 9. Social Dining Membership

An individual or family may purchase a Social Dining Membership, which entitles the member and Family to dining and social event privileges (only). A Social Dining Member is not allowed athletic guest privileges, except that a Social Dining Member may on five occasions (annually) pay guest fees for use of the pool or other facilities.

Prior to admission to membership, a Social Dining member shall pay an initiation fee. Upon admission to membership, members shall pay monthly dues and minimum dining requirements pursuant to Article V.

A Social Dining Member who desires to convert to a Family or Individual Membership must obtain Board approval and is required to purchase a Bond and to pay the remaining Family Member or Individual Member initiation fee which was in force at the time of becoming a Social Dining Member. A Social Dining Member who once had a Family or Individual Membership may convert to a Family or Individual Membership with approval of the Board and by resuming the payment of Family or Individual Member dues and purchase a Bond.

Section 10. Deceased Members

The surviving spouse and unmarried children under age 30 who are members of the household of a deceased Family Member shall not be subject to any change from Family Membership as a result of the death of said member except that the monthly dues and any special assessments shall be two thirds that of Family Members until such time that the surviving spouse remarries. The dining minimum shall be the same as for a Family Member.

Section 11. Divorced Persons

In the case of divorce of any married couple that holds a Family or Non-Resident Membership, the Bond shall be retained by the spouse who is the legally named owner of the Bond after the divorce, without the need of any consent by the Board and without payment of any additional fees. The other spouse may then apply for an Individual Membership by purchasing a Bond and the initiation fee requirement will be waived if application is made within one year of the divorce. In the event of a waiting list, the candidate will be given special consideration.

Section 12. Termination of Membership

12.1 A person's membership shall terminate upon resignation, death (in the case of an Individual Member), or action by the Board. As provided in Section 9 of this Article, in the event of death of any member other than an Individual Member, the membership shall be transferred to the surviving spouse.

12.2 The Board shall have the power, to terminate the membership of any member for conduct which in its opinion is likely to jeopardize the welfare, interest or character of the Club, or for delinquency on payments as stated in Article V, Section 5. Such member shall be afforded an opportunity to be heard before the Board in their own defense prior to such termination.

Section 13. Transfers of Membership

A membership whether or not evidenced by ownership of a Bond is not transferable or assignable to any other person or family member, except as provided in the By-laws.

Section 14. Reinstatement of Membership

A Family or Individual Member who was in good standing at the time of their resignation and who wishes to rejoin the Club may file a written request with the Membership Committee. At the discretion of the Board, the former member may be given top priority on the list of approved prospective members. If said former member is reinstated less than 12 months from the date of resigning, then said member must pay the monthly dues for the intervening period when not a member and must purchase a Bond, but will not be required to pay an additional initiation fee.

If said former member is reinstated more than 12 months from the date of resigning, then said member must purchase a Bond and pay one half of the then current initiation fee. In the event of a waiting list, the former member candidate will be given special consideration.

Section 15. Good Standing

A member in good standing is a member who is not delinquent in dues, special assessments, Bonds or other charges to the Club.

Section 16. Voting Member

A Voting Member is a current Member in good standing who has paid \$4,000 for his/her Bond.

**ARTICLE III
ELECTION TO MEMBERSHIP**

Section 1. Applications for Membership

Applications for membership shall be made to the Membership Committee. Approval of such applications and election to membership shall be made by the Board.

Section 2. The Number of Bondholders

If the number of bondholders of a particular membership class is at its maximum level, an approved applicant will be placed on a prospective members list in date of approval sequence. As Bonds become available, approved applications from the prospective members list will be elected to membership.

Section 3. Notice of Election

A notice of election to active membership status shall be sent to each applicant by the Secretary together with a copy of the By-laws, Rules and Regulations, and membership list of the Club. By payment of the initiation fee and purchase of the Bond, the applicant shall have accepted membership and agreed to be bound by these By-laws and all amendments thereto.

**ARTICLE IV
MEMBER'S EQUITY**

Section 1. Bonds

1.1 A member's equity is represented by the ownership of a Bond. The Bond shall be of such form and value as the Board may designate and shall state the name of the bondholder, its number, date of issue, a statement as to the privileges, preferences, and restrictions, if any, and a statement as to the terms of redemption or conversion, if any.

1.2 Each Bond must be signed by the President and the Secretary of the Club, and carry the official seal of the Club.

1.3 Bonds can only be held by Family, Individual and Non-Resident Members.

1.4 Bonds are non-transferable to any other person or entity, except to a surviving spouse in the case of death as provided in Article II, Section 10.

1.5 Exception: Bonds are not held by three members who in 1977 (the year in which Bonds were first issued) opted to not purchase a Bond. The list of these members shall be kept by the Club Manager and in the event of the Club's liquidation or the member's resignation, these members shall have no equity rights in the Club and will receive no redemption value or liquidation proceeds.

Section 2. Number of Bonds

2.1 A maximum of three hundred and sixty five (365) Bonds can be issued to members.

2.2 Only one Bond may be sold to each qualifying member.

Section 3. Features of the Bond

3.1 The purchase price and redemption value of the Bond shall be \$4,000.00, or as may be set by the Board from time to time.

3.2 The Bonds do not bear interest to the holders.

Section 4. Resignation and Redemption of Bonds

4.1 In order to resign from the Club, a member must deliver to the Club Manager a resignation letter. The Secretary will then notify the Board of the availability of said Bond for purchase by the first name on the list of prospective members who have been approved for membership by the Board. The Club requires that the resigning member return their Bond to the Club or sign an affidavit if the Bond has been lost. If the Bond is not surrendered to the Club within 30 days of the member giving notice of resignation, the \$4,000 redemption value will be forfeited to the Club.

4.2 If there are no approved prospective members available to purchase the resigning member's Bond, the name of the resigning member will be posted, in date of resignation sequence, on an Available Bonds List. As prospective members are approved for membership by the Board, they will purchase Bonds, in sequence, from the resigned members whose names appear on the Available Bonds List and the resigned member will be paid the Bond's redemption value.

4.3 If the resigned member owes any dues, special assessments or other charges to the Club, such amounts will be offset by the Club against the Bond's redemption value.

Section 5. Lost or Destroyed Bonds

5.1 Any person claiming a Bond to be lost or destroyed shall submit a signed affidavit as to that fact. The number assigned to that Bond will be cancelled and a new Bond with a new number will be issued to the member.

5.2 If a lost Bond is subsequently found after issuance of a new Bond to the member, it will be returned to the Secretary of the Club.

Section 6. Liquidation of Club Assets

6.1 Upon liquidation of the Club and after settlement of all debts, each outstanding Bond would be redeemed at the redemption value of the Bond. The remaining net cash, if

any, after settlement of all assets and liabilities, will then be distributed equally to all Bondholders of record at the time of liquidation.

6.2 If, upon liquidation of the Club, and after settlement of all debts, the remaining net cash is not sufficient to redeem all outstanding Bonds at redemption value, then the Board will make an equal distribution of the cash to each bondholder.

6.3 While liquidation is in process, no Bonds will be sold so as to prevent inequitable receipt of liquidation proceeds.

ARTICLE V DUES, SPECIAL ASSESSMENTS AND MEMBER ACCOUNTS

Section 1.

The Board may establish the amount of the initiation fee, dues, minimum dining requirements and other fees payable to the Club for all classes of membership.

Section 2.

The Board may levy a special assessment ratably against Family and Individual Members for the purpose of reducing or eliminating annual deficits or for major capital repairs or improvements. The Board shall have the authority to establish the effective date of any such special assessment and the periodic due dates for payment thereof.

Section 3.

Any new borrowing agreement, or a material amendment to an existing agreement, requires the approval of the Board, and shall be signed by the President and the Treasurer.

Section 4.

The Board shall give thirty days written notice in the Club newsletter or by separate letter or by electronic mail to all of the Club's members prior to any vote by the Board on a capital expenditure in excess of \$50,000.

Section 5.

Payment for all dues, special assessments and other charges is due in the office no later than the end of the month following the billing. If any member fails to pay any amount owed the Club, interest at the rate of 1-1/2% per month will be charged on the unpaid balance that is at least 30 days old. Written notice will be sent after 60 days. At 90 days past due the account will be automatically suspended and the member shall forfeit all use and benefits of the Club. Any member thus suspended will be notified in writing by the Treasurer, and can only be reinstated after full payment of the past due indebtedness, including interest, reinstatement fee of \$100 and any collection or attorney's fees. If

payment arrangements are not made within 30 days of suspension, the Board may vote to terminate the membership in accordance with Article II, Section 11.2.

Section 6.

No member of the Club shall be personally liable for any indebtedness of the Club. Personal liability of a member to the Club shall not extend beyond their dues, personal indebtedness, or special assessments which may have been levied under Section 2 of this Article.

Section 7.

Unless approved by the Club Manager, no goods or services will be provided to any member of the Club, at any time, on Club grounds, unless provided by the Club, an employee of the Club or an officially designated agent of the Club. Examples of these goods and services include, but are not limited to, food, alcohol and other beverages, tennis, paddle or swimming lessons. Any member found in violation of this is subject, at the discretion of the Board, to a \$100 fine and/or 30 day suspension from the Club, depending on the severity of the infraction. Said member shall then be notified by mail of the violation, fine/suspension, and that member's right to appear before the Board to explain said infraction at next Board meeting. If levied and not paid, the fine and/or suspension can result, at Board discretion, in termination of membership of the offending member.

**ARTICLE VI
BOARD OF DIRECTORS**

Section 1.

The Board of Directors shall consist of a minimum of twelve members elected from Voting Members at the Annual Meeting, unless the number of Board members is reduced by resignations.

In addition, the last retired President may also be a member of the Board for a term of one year following retirement, subject to Board approval.

Section 2.

The President, at the Board's direction, may serve two consecutive one year terms to preserve a continuity of program. The other Directors shall be elected to three year terms with one-third of the Board being elected each year.

Section 3.

The Directors shall take office at once upon their election.

Section 4.

If a Board member resigns before the completion of her/his term, the President shall obtain recommendations from the Board concerning candidates for the vacancy. The Board shall appoint the new member within sixty days of such resignation and the new member will serve the remainder of the vacated member's term.

Section 5.

A Director must be present in person or by telephone/video conference call at a Board meeting to vote on a motion.

Section 6.

Except for motions described in the third paragraph of this Section, a Board motion shall be effective if (a) the Board meeting was called in accordance with Section 9 of this Article, (b) a majority of the Board members is present, and (c) a majority of those Board members, who are present, vote in favor.

If a majority of those Board members who vote on a motion vote in favor, but the motion is not effective only because (b) is not satisfied, it may be voted upon at the next Board meeting and will then become effective if (a) and (c) are satisfied at such meeting.

A motion concerning the levying of a special assessment, or a change in the size of the Bond, shall be effective only if (a) at a monthly Board meeting the motion had been submitted in writing, had been seconded, and had been noted in the minutes, (b) the motion is passed at a later Board meeting by a majority of the Board, and (c) the Club's members had been notified of the motion at least thirty days prior to such second Board meeting.

Section 7.

The Board shall have general charge, management and control of the affairs, funds and property of the Club, and shall control all expenditures and shall have power to make and to enforce such Rules and Regulations applicable to the members and their families, and the control, management, and use of the Club's property as they believe proper, not however, inconsistent with these Bylaws.

Section 8.

Each year a Nominating Committee shall be selected by the current President consisting of a minimum of seven members including the current President, one other member of the Executive Committee, two other members of the current Board, and three other

Voting Members. The current President will serve as the Chairman of the Nominating Committee. The purposes of the Nominating Committee shall be to nominate candidates (a) to fill vacancies that will occur on the Board at the beginning of the next year, and (b) for specific Officer positions and to the chairs of specific committees. The Committee will conduct an active solicitation of the general membership for candidates to the Board. Any Voting Member is eligible for election to the Board. The candidate for President shall be either a current or former member of the Board and shall become a member of the Nominating Committee.

A list of candidates shall be (a) posted on the bulletin board of the Clubhouse, (b) mailed to each Voting Member, and (c) if practical, posted on the Club's website, at least thirty days prior to the Annual Meeting. A petition signed by at least twenty Voting Members nominating other candidates for the same offices and vacancies on the Board can be filed with the Club Manager as long as the names of those candidates are posted on the bulletin board of the Clubhouse at least fifteen days prior to the Annual Meeting.

Section 9.

The Board shall meet once each month, with the exceptions of August and December, at the Club, or if that is inconvenient, at a place to be designated by the President. In addition, the President, at her/his discretion, or a majority of Board members, may call Board meetings at other times. Except in case of emergency, seven days notice shall be given.

Section 10.

All Board meetings will be open to members and any Voting Member present shall be entitled to present her/his views on any item on the Board agenda and/or to introduce an item as new business. Such presentation by a non-Board member may not exceed three minutes unless the Board approves otherwise. At the President's discretion, discussions involving non-Board members shall be subject to Robert's Rules of Order.

Section 11.

If a petition signed by at least twenty Voting Members is given to the Board at a Board meeting, the Board shall consider such petition at the next monthly Board meeting, or earlier.

Section 12.

The President (or if absent, the officer so designated) shall perform the usual functions, be endowed with the usual powers and charged with the usual duties of chief executive officers of like organizations.

Section 13.

The Secretary of the Club shall (1) notify every member of the Board of every meeting of the Board, (2) make and keep a true record of the proceedings of all the meetings of the Directors and of the members of the Club, (3) have custody of the Bylaws, and (4) notify persons elected to membership of their election.

Section 14.

The Treasurer of the Club shall collect all initiation fees, dues and charges and shall keep accounts of the Club, and report thereon at each regular meeting of the Board. The accounts shall be audited at least once a year by a Certified Public Accountant. The Treasurer shall have final approval to pay all bills after reviewing with the Club Manager.

Section 15.

All checks, drafts or other orders for payment of money by the Club shall carry the signature of any two persons designated by the Board, at least one of whom shall be an Officer.

Section 16.

In the event of death or resignation of any Officer of the Club, the President shall appoint a current Board member as successor, who shall hold the office for the remainder of the term.

Section 17.

Any Director absent from three successive meetings of the Board, without reasonable excuse, shall be subject to removal by the Board. Any Director deemed to be unfit by the Board shall also be subject to removal.

Section 18.

18.1 All Officers and Directors of the Club shall be indemnified by the Club for any and all costs and expenses (including legal fees, judgments, settlements, etc.) incurred by or assessed against them in any action or proceeding relating to the affairs of the Club, so long as said Officer or Director acted in good faith for a purpose reasonably believed to be in the best interests of the Club and in accordance with the Bylaws and had no reasonable cause or belief said conduct was improper or unlawful.

18.2 The indemnification described in the previous paragraph shall be effective only if authorized in each specific case by the Board acting as a quorum consisting of Directors who are not parties to such action or proceeding unless such action involves the entire Board.

18.3 The Board shall maintain a Director's and Officer's indemnity policy in the amount of \$1,000,000.

**ARTICLE VII
MEETINGS OF MEMBERS**

Section 1.

The Annual Meeting of the members of the Club shall be held at the Club on the second Wednesday of each December, unless the Board sets another date (which shall be earlier than January 31st) and gives at least 45 days notice thereof, for the purpose of electing Officers and Directors and transaction of all necessary business.

Section 2.

All Voting Members shall have the right to vote at Annual or special meetings of the Club, either in person or by proxy, and each such member shall be entitled to one vote. Proxies must be in writing and shall not be valid for longer than two months.

Section 3.

Special meetings of members may be called at any time by the Board, or at the written request of one hundred Voting Members. The purpose of such a special meeting shall be stated in a written notice to all members at least 15 days in advance of such meeting, mailed to the last known address of each member as shown on the Club records.

Section 4.

The presence at any meeting of members, either in person or by proxy, of twenty percent of Voting Members shall constitute a quorum for the transaction of any business.

Section 5.

The President shall preside at any meeting of the members, and at her/his discretion, may require that the meeting follow Robert's Rules of Order.

Section 6.

The President and the Secretary shall certify the counting of the proxy votes, and the proxies shall be kept by the Club for twelve months thereafter.

**ARTICLE VIII
CLUB ADMINISTRATION**

Section 1. Executive Committee

The management and administration of the Club will be under the direction of the Executive Committee consisting of the President, Operations, Secretary, Treasurer, and Membership (together, "Officers") to be designated Vice-Presidents by the President each year. The Executive Committee shall meet in any month in which the Board does not meet, and shall also meet from time to time to review Club operations, plan and

coordinate all operating functions of the Club and meet with other Directors to review the plans and programs of each Board committee.

Section 2. Directors

2.1 There will be five standing committees of the Board to which a Board member or two Board members with one total vote will be elected as chairperson except that the Racquet Sports committee shall have two co-chairpersons:

Dining
Youth Programs
Social Activities
Racquet Sports
Swimming

2.2 There will be five other standing committees of the Board, each of which will have an Officer as chairperson and will include the following Board members:

Rules – President (chair), VP Operations and VP Secretary

Compensation – VP Treasurer (chair), President, VP Operations, Racquet (chair)

Membership – VP Membership (chair)

Capital – VP Operations (chair) and VP Treasurer

By-laws – VP Membership (chair) and VP Secretary

2.3 Membership in the committees described in Sections 2.1 and 2.2 of this Article are also open to any Voting Member, except for the Rules and Compensation committees, which shall consist of Board members only.

2.4 There may also be up to two “at large” Board members.

Section 3. Club Manager

The Club Manager shall report to the Board and shall receive direction from the President in relation to the day-to-day management and administration of the Club's affairs. The Club Manager, subject to the President's approval, shall have full and final authority over the hiring, management and administration of all Club activities, employees and independent contractors.

Section 4. Budget

The Treasurer shall present a budget for the current fiscal year to the Board at the October Board meeting, and the Board shall approve a budget at the November Board meeting, unless such approval date is extended by the Board.

Section 5. Expenditures

5.1 A capital expenditure of less than \$5,000 may be made if approved by both the Treasurer and the Capital Committee. A capital expenditure of less than \$10,000 may be made if approved by the Executive Committee. Any capital expenditures approved as

described in the preceding two sentences shall be reported to the Board at the next Board meeting.

5.2 Other capital expenditures require Board approval. A motion authorizing approval for a capital expenditure, or a program of capital expenditure, in excess of \$50,000 will be effective only if the Board follows the same procedures as those described in Article X, Section 1.

5.3 Non-capital annual expenditure commitments in excess of \$50,000 for individual employee salaries will be effective only if approved by a majority of the Board.

Section 6. Rules and Regulations

A Rule or Regulation may be created or changed only by the Rules Committee.

ARTICLE IX FISCAL YEAR

The fiscal year of the Club shall commence on the first day of April and end on the 31st of March of the following year.

ARTICLE X AMENDMENT OF BY-LAWS

Section 1.

These By-laws may be amended by the Board if (a) at a monthly Board meeting (i) the amendment had been submitted in writing, (ii) a motion to approve the amendment had been seconded, and (iii) the motion had been noted in the minutes, (b) the Club's members had been notified of the proposed amendment prior to the next Board meeting, and (c) a motion to approve the amendment is passed at the next Board meeting.

Section 2.

These By-laws may also be amended at the Annual Meeting or a special meeting of the members, by an affirmative vote of a majority of all of the Club's Voting Members, provided that the amendment had been submitted in writing with the notice that advised the members of the meeting.

ARTICLE XI TAX STATUS

The Club is a tax exempt organization and qualifies as an exempt social club under section 501(c)(7) of the Internal Revenue Code. To maintain this exemption, the IRS requires that, in any fiscal year, gross revenue (excluding initiation fees) received from non-members must not exceed 15% of gross revenues (excluding initiation fees) derived from members.

4810-8699-5508, v. 3