

WALLOON LAKE COUNTRY CLUB BYLAWS

ARTICLE I

Purposes

Walloon Lake Country Club (the “Club”) is a Michigan non-profit corporation organized for social purposes and to encourage golf, racquet sports, dining, and other activities not for pecuniary gain.

ARTICLE II

Membership

Section 1. Classification of Members

Membership in the Club shall be classified and determined as set forth in this Article. The total number of members in all categories shall not exceed 370.

Section 2. Full Active Members

A Full Active member, the member’s spouse, or Significant Other (as defined in Section 12, below), and the member’s immediate family under the age of 22 (*i.e.*, daughters, sons, daughters-in-law, sons-in-law, and grandchildren of a member and the member’s spouse or Significant Other) may use all the Club’s facilities. They are subject to such rules and regulations and shall pay such dues, fees, and other charges as may be established by the Board of Directors (“Board”) from time to time.

- (a) Full Active members shall have the right to cast one vote on all matters coming before the membership for decision.
- (b) Full Active members shall have the right to sponsor new member applicants and sponsor guests for use of the Club’s facilities. Full Active members shall be liable for the payment of any assessment levied under the Club’s Bylaws.
- (c) Upon termination of their membership, no monies shall be due to the Full Active member or the member’s successors or assigns except any assessment which was paid by the member and which, when made, was stated to be refundable upon termination of the member’s membership.
- (d) Full Active members and their spouses shall have the right to hold office in the Club.
- (e) The maximum number of Full Active members shall not exceed 275.

Section 3. Single Active Member

A Full Active member who is single (not married) may apply for Single Active membership status. The decision to permit such a transfer, along with any transfer fees, shall be at the sole discretion of the Board, provided, however, that an application for transfer to Single Active membership shall not be approved unless there is a new member applicant for Full Active membership approved and willing to assume membership. Subject to (e) below, a Single Active member shall have all the privileges of a Full Active member except that any spouse or Significant Other of a Single Active member shall not have any rights pertaining to that membership. Subject to the overall membership limitation imposed by Article II, Section 1, the number of Single Active members shall be determined by the Board.

- (a) The dues applicable to a Single Active member shall be 60% of the dues payable by a Full Active member.
- (b) Except as provided in (e) below, Single Active members shall be responsible for the full amount of any assessments levied under the Club's Bylaws.
- (c) If a Single Active member desires to convert to Full Active status, such transfer may be approved at the Board's sole discretion, when a vacancy occurs. The fee and charges to return to a Full Active membership shall be established by the Board.
- (d) Except as provided in (e) below, Single Active members shall have the same voting rights as a Full Active member.
- (e) Any person who, prior to June 26, 2023, was categorized as a Single Active member and has not elected to accept 100% responsibility for special assessments (a "SA60%") shall continue to be entitled to pay 60% of special assessments, provided, however, such person shall only be entitled to one collective vote as a member of the joint class established by Section 7, below. If a SA60% member elects to assume responsibility for 100% of any assessments, that member shall notify the Board of their decision, and will thereafter have the right to cast one full vote on all matters coming before the membership for decision.

Section 4. Senior Members

Any member who has reached the age of 75 may apply for Senior membership. The decision to permit such a transfer, along with any transfer fees, shall be at the sole discretion of the Board, provided, however, the Board shall not approve of an application for Senior membership unless there is a new member applicant approved and willing to assume Full Active membership. Qualified applicants will be offered Senior membership in the order of their Club seniority. Subject to such rules and regulations and upon payment of such fees and charges as may be established from time to time by the Board, a Senior member and the member's spouse or Significant Other and the members of their immediate family under age 22 (as defined in Section 2) may use all the Club's facilities, with certain limitations applicable to the golf course, pickleball, and tennis courts, as provided below. Subject to the overall membership limitation imposed by Article II, Section 1, the number of Senior members shall be determined by the Board.

- (a) Senior members may use the golf, pickleball, and tennis facilities as established from time to time by the Board.
- (b) Senior members shall have the right to vote as set forth below in Section 7, below. Neither a Senior member nor their spouse or Significant Other shall be eligible to hold office.
- (c) Senior members may sponsor new members and sponsor guests for the use of the Club's facilities.
- (d) Senior members shall pay operational dues equal to 60% of the operational dues paid by Full Active members, provided, however, that any person who was categorized as a Senior member prior to May 1, 2017, (a "Senior P2P") shall continue to have a cap on operational dues increases of 50% of the dollar amount of any operational dues increase for Full Active members.
- (e) Senior members shall pay capital dues equal to no more than 60% of the Capital dues paid by Full Active members.
- (f) Senior members shall not be liable for any special assessment.

- (g) Upon approval of a transfer to Senior membership, no monies shall be due to the applicant except any assessment which, when made, was stated to be refundable upon conversion to Senior membership.

Section 5. Junior Members

The children and grandchildren (and their spouses) of a current or former member may apply for Junior membership provided the applicant is over the age of 22 and submits an application prior to the applicant's 40th birthday. Once approved by the Board, the applicant will be placed on the Junior waiting list. Applicants will be admitted to Junior membership in the chronological order in which completed applications are received by the Membership Committee. Subject to the overall membership limitation imposed by Article II, Section 1, the number of Junior members shall be determined by the Board.

- (a) The initiation fee for Junior members will be a percentage, as determined by the Board, of the Full Active initiation fee in existence as of the date they are admitted to Junior membership. Beginning the year following their admission, and continuing until they reach age 46, they shall pay an annual amount, as determined by the Board, toward their initiation fee. Junior member dues will be 30% of those paid by Full Active members.
- (b) On or before March 31 in the calendar year following the year in which a Junior reaches the age of 45, such Junior member shall qualify to become a Full Active member after paying the unpaid balance of the initiation fee, together with any fees or charges established by the Board. If a Junior member fails to make such payments within the time established by the Board, all membership rights, including the right to transfer to Full Active membership, shall immediately and automatically terminate. All initiation fees are non-refundable.
- (c) In the event there is no Full Active membership available because of the limitation of membership imposed by these Bylaws, the applicant shall continue as a Qualified Junior member for voting purposes and shall pay the same dues and fees **and assessments** as Full Active members until a Full Active membership becomes available.
- (d) A Junior member shall have the following rights and privileges and is subject to such rules and regulations and shall pay such fees and other charges as may be established from time to time by the Board.
 - (1) The Junior member shall have the same rights to use the Club facilities as a Full Active member.
 - (2) A Junior member's spouse and any children under the age of 22 shall have the right to use the Club facilities.
 - (3) Junior members shall be entitled to vote on matters coming before the membership as provided in Section 7, below.

Section 6. Grandfathering of Membership Categories

Any person who is categorized as a Senior P2P or SA60% member shall be entitled to continue in their existing membership category and shall continue to enjoy the rights and obligations pertaining to that category which existed immediately prior to the adoption of these Bylaws.

Section 7. Voting Rights

All members in good standing shall have voting rights as set forth in this Section, determined by their membership category.

- (a) Full Vote on All Matters. Full Active, Single Active, and Qualified Junior members shall vote individually. Each member in each such class is entitled to one (1) vote on all matters coming before the membership.
- (b) Restricted and Collective Voting.
 - (1) Senior, Senior P2P, and Emeritus members shall have the right to one (1) vote on any matters coming before the membership except those involving any assessments, major capital improvement projects, incurring debt to pay for capital improvements, the purchase or sale of real estate, Bylaw changes, and/or the dissolution of the Club ("Major Events").
 - (2) With respect to Major Events, Senior, Senior P2P, Emeritus, SA60%, and Junior members shall not vote individually. Instead, they shall vote into a collective pool. This combined pool shall yield exactly one (1) single collective vote toward the final general membership decision.
 - (3) On non-Major Event matters coming before the membership, SA60% and Junior members shall vote as a joint class into a collective pool that yields exactly one (1) single collective vote toward the final general membership decision.
 - (4) Any collective vote shall be determined by a simple majority of the ballots cast within the respective pool. A tie vote within a pool shall result in an abstention for that collective vote.

Section 8. Admission of Applicants for Membership

- (a) Applicants for Full Active and Junior membership shall submit such documents as shall be determined from time to time by the Board. Once the applicable documents have been received and approved by the Membership Committee, the applicant's name will be submitted to the Club membership for comment. Following a minimum 30-day comment period, the applicant's name will be submitted to the Board for approval. If approved, the applicant must then deposit a portion of the initiation fee in such amount as established by the Board from time to time. If a deposit is required, it will be applied to the applicant's total initiation fee. Once paid, the applicant's name will be placed on the appropriate waiting list. If a deposit is not required, the applicant's name will be placed on the appropriate waitlist upon Board approval.
- (b) Applicants on the Full Active Waiting List (except Leave of Absence and ex-spouse applications) will be placed into legacy or non-legacy categories. To be treated as a legacy, the applicant must be the child or grandchild (or their spouse) of a current or former member. Applicants will be admitted to membership in the chronological order in which their completed application was received by the Membership Committee, alternating between legacy and non-legacy applicants, except that any Leave of Absence, ex-spouse, or Qualified Junior member shall be admitted prior to all other applicants.

Section 9. Transfer of Membership

The membership of a deceased member may be transferred to a surviving spouse. The membership of an incapacitated member may be transferred to such member's spouse upon application to and approval by the Board. In the event of the legal termination of the marriage of a member by divorce, the ex-spouses may

agree which one of them will be the member and upon written notification to the Board the membership will be retained or transferred accordingly. In the event the ex-spouses are unable or for any reason unwilling to agree as aforesaid, then the ex-spouse who receives or retains the economic right of membership shall thereafter become or remain the member and the other ex-spouse shall no longer have any rights, privileges, or responsibilities of such membership. Upon the transfer or retention of a membership incident to a divorce, the ex-spouse who does not receive or retain the membership may apply for membership once the divorce becomes final. If accepted, the ex-spouse will be placed at the top of the waiting list. Other than as set forth in this Section 9, transfer of a membership from one person to another is not permitted.

Section 10. Membership Leave of Absence

The Board may grant Leave of Absence status due to transfer of employment, or because of significant financial hardship, or for any other good and substantial reason acceptable to the Board.

(a) Conditions:

- (1) A person desiring Leave of Absence status due to a geographical transfer of employment of the member or the member's spouse or Significant Other more than 500 miles and for a period of at least one year, may request such status in writing to the Board. Such request must be received by the Board at least 60 days prior to the requested beginning of such status. A request to be granted Leave of Absence status because of financial hardship or any other good and substantial reason acceptable to the Board must be made as soon as reasonably appropriate. The Board shall have the sole discretion to grant or deny a request for Leave of Absence status and to impose such conditions as it deems appropriate, including, but not limited to, a non-refundable annual fee to be paid to maintain such status.
- (2) The length of time Leave of Absence status is granted shall be at the sole discretion of the Board. Such status may be terminated at any time by the Board if the conditions for granting the status have changed.
- (3) Prior to commencement of such leave, all existing accounts must be paid in full.
- (4) Anyone on leave status shall not be considered a member of the Club.

(b) Privileges: Any person granted Leave of Absence status and, if applicable, the member's spouse or Significant Other and immediate family under the age of 22 shall have full Club privileges for up to 14 consecutive days in a calendar year. They may use the golf course, pickleball, and tennis facilities but shall pay applicable family guest fees for each such use.

(c) End of Leave of Absence: At least 60 days prior to the end of the term of Leave of Absence, the person on leave may request return to membership. If such a request for reinstatement is not received, the membership shall be terminated 14 days after written notice from the Club enclosing a copy of this paragraph as a reminder. Reinstatement shall be at the discretion of the Board and shall be subject to any limitations provided in the Bylaws and/or the Board with respect to the number of memberships available. Once a membership is available, the individual/family must pay all assessments due since the start of the Leave of Absence and pay the annual dues for the current fiscal year. If a membership is not available, the individual/family shall be placed at the top of the Waiting List and leave status shall continue until such availability occurs.

(d) Military Service Members on active duty in the military service of the United States shall automatically be granted leave of absence for the term of their active duty.

Section 11. Financial Obligations of Members

Members shall be billed by the Club in January of each year for dues and fees as may be set by the Board. Payment of such charges shall be due on March 31st and shall thereafter become delinquent and shall bear interest at the maximum legal rate from such time until paid.

Section 12. Significant Other

The term, "Significant Other", as used in these Bylaws shall mean a person in an established romantic relationship, like that of a spouse, with either a Full Active, Single Active, or Senior member. The member requesting such classification shall provide the General Manager in writing with the name of the person they wish to have designated as their Significant Other. Only one person per calendar year may be so designated. If a question arises, the decision whether to recognize a Significant Other designation shall be at the sole discretion of the Board.

Section 13. Emeritus Membership

Any person who has been a member of the Club for a minimum of 60 years may apply for Emeritus membership. Once approved, Emeritus members will thereafter have the same rights and obligations as a Senior member, except that they will no longer be responsible for the payment of annual dues. Emeritus members will not be included in the membership limitations imposed by Article II, Section 1 of the Bylaws. Emeritus members shall be entitled to vote on matters coming before the membership as provided in Article II, Section 7.

ARTICLE III

Member's Meetings

Section 1. Annual Meeting of Members

The annual meeting of members shall be held at such time between August 15 and 31 of each year as the Board determines for the purpose of electing directors, and for the transaction of such other business as may properly come before it. A change in the number of Full Active members and/or overall number of members; the purchase, sale, or transfer of real estate; the assessment of members for a capital expenditure; and/or a change to the Bylaws may not be approved at an annual meeting unless the notice of the meeting indicated such an action would be considered.

Section 2. Special Meetings

Special meetings of the members may be called at any time by the President or a majority of the Board members; and must be called by the President upon written request of 25 Full Active and/or Single Active members with full voting privileges. No business other than that specified in the notice of meeting shall be transacted at any special meeting of the members.

Section 3. Notice of Meetings

Written notices of annual meetings, and all special meetings, shall be mailed or communicated by electronic means to each member in good standing (as of the date such notice is given) at least 14 days and not more than 30 days before the date of the meeting. Notices shall be mailed to each member's designated "bill-to" address and/or communicated by electronic means to the member's email address, according to the records of the Club. Notices of special meetings shall specify the business to be considered at the meeting. Any notice may be waived by a waiver in writing signed by the member.

Section 4. Location of Meetings

The annual meeting of members shall be held at the Clubhouse on Walloon Lake, Charlevoix County, Michigan. Special meetings may be held at any convenient location in the counties of Charlevoix or Emmet, Michigan, as may be set forth in the notice of the meeting.

Section 5. Quorum

The presence, in person or by proxy, of a majority of members of a combined class consisting of the Full Active, any Single Active member with full voting rights, and the cumulative one-vote of the class described in Article II, Section 7, shall be necessary to constitute a quorum for the transaction of business at all meetings of the members. If a quorum is not present, the members present in person, or by proxy, may adjourn the meeting to a future date.

Section 6. Voting By Members

- (a) Voting may be by proxy or by absentee ballot filed with the Secretary prior to the meeting being called to order. Every proxy must be dated and signed by the member or by the member's attorney-in-fact. Electronic signatures (such as DocuSign) may be used. Every proxy shall be revocable at the pleasure of the person executing it until the vote is taken.
- (b) One or more tellers shall be designated by the President to handle the absentee and proxy ballots, and such person(s) shall be charged to maintain the secrecy of the vote and to ensure that no person's vote is counted more than once.
- (c) Subject to Article II, Section 7, and Article VII, Section 3, a majority of votes cast shall be required for approval of any matter, except that a vote of 75% shall be required for dissolution of the Club.

ARTICLE IV

Directors

Section 1. Number, Term and Qualification of Directors

- (a) The Board shall consist of nine directors divided into three classes of three each. Directors shall serve three-year terms, commencing at the time of their election, and ending at the annual meeting held three years following their election, or when their successors are elected and qualified. Three directors shall be elected each year. Any Full Active member, or his/her spouse, or any Single Active member, shall be eligible to serve on the Board.
- (b) A director completing his/her first term may be reelected to serve for a second term. No director shall serve more than two consecutive terms. A member who previously served as a director may be re-elected to the Board after at least one year has elapsed since the termination of such director's term. A director may be removed by an affirmative vote of at least six directors at any Board meeting convened for that purpose.
- (c) Anything contained in this Section 1 to the contrary notwithstanding, the Board may, on its own motion and without notice, expand the Board to ten members for a period of one year to permit a director serving as President of the Club to complete a second one-year term as President in which event the Board shall appoint the person serving as President to fill such vacancy and the prohibition against a Board member serving more than two consecutive terms shall not apply with respect to the President's one additional year.

Section 2. Vacancies

Vacancies on the Board by reason of death, resignation, or other causes, shall be filled by appointment by the remaining directors. Directors thus appointed shall serve for the balance of the vacated term.

Section 3. Meetings

Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors. Special meetings of the Board may be called by the President and shall be called on the written request of three or more directors. The annual meeting of the Board shall be held promptly following the annual meeting of members for the purpose of electing the officers and such other business as shall properly come before the meeting. Notice of all meetings shall be given to each director personally, or by mail or telephone or electronic means, at least three days prior to the meeting. Notices of special meetings shall state the purpose of the meeting. Any one or more directors may participate in a meeting of the Board by means of a conference telephone call, video conference, or similar telecommunication means, which allows all persons participating in the meeting to hear each other. Participation by such means shall be equivalent to presence in person at the meeting for purposes of determining if a quorum is present.

Section 4. Waiver of Notice

Any director may waive notice in writing of any Board meeting. Attendance at any meeting constitutes a waiver of notice. If all directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

Section 5. Quorum

A majority of the Board shall constitute a quorum at any regular or special meeting for the transaction of any business which may come before the Board.

Section 6. Action by Unanimous Written Consent

If the directors shall severally or collectively consent in writing to any action to be taken by the corporation, such action shall be a valid corporate action as though it had been authorized at a meeting of the Board.

Section 7. Election of Directors

- (a) At least 14 days before the date of the annual meeting, the Secretary shall mail or email to the Club members a list of candidates nominated by either the Nominating Committee and/or by the members.
- (b) If, on the day of the annual meeting the candidates for the Board consist only of those members who were nominated by the Nominating Committee, the President shall declare those members to have been elected. If there is a contest, then the nominee who receives the most votes for the open position(s) shall be elected.
- (c) No nomination for director shall be made at the annual meeting or otherwise than provided in Article V, Section 2; provided, however, if a nominee withdraws as a candidate prior to the election taking place, then the Board may select a substitute nominee for election.

Section 8. Powers and Duties

The directors shall have the general management and control of the business and affairs of the Club, and shall exercise all the powers, except as limited in this Section, that may be exercised or performed by the

corporation under the laws, statutes, Articles of Incorporation, and/or Bylaws, including, but not limited to, the following:

- (a) To accept or reject all applications for membership.
- (b) To make and enforce reasonable rules and regulations governing use of the Clubhouse, grounds, and facilities.
- (c) To establish fees for new members, annual dues, and other fees for the use of Club facilities.
- (d) To establish payment dates for dues and fees, and to impose an interest penalty on the late payment of members' obligations to the Club.
- (e) To authorize or approve the purchase or sale of real estate or any interest in real estate if the cash and other consideration to be paid or received by the Club is under \$300,000, provided that the same shall be subject to legal review before a contract is signed.

The Board shall not have any of the following powers except upon an affirmative vote of the members voting in person or by proxy at any regular or special meeting called for that purpose.

- (a) To authorize or approve any transaction in real estate or any interest in real estate other than as provided in (e), above.
- (b) To impose any assessment on the membership.
- (c) To incur any debt for a major capital improvement project.
- (d) To undertake a major capital improvement project with a cost exceeding \$700,000, regardless of whether the project involves a one-time expenditure or is expected to occur in stages spread out over a period of time. The \$700,000 limitation will be adjusted annually, beginning September 1, 2023, for inflation by an amount equal to the percentage change in the Consumer Price Index published by the U.S. Department of Labor, Bureau of Labor Statistics ("CPI") during the preceding year. The limitation shall not apply to emergencies.

ARTICLE V

Committees

Section 1. Executive Committee

There shall be an Executive Committee authorized to exercise the authority of the Club between meetings of the Board. The Committee shall consist of the President, Vice-President, Secretary, Treasurer, and one other member of the Board appointed by the President. The immediate past president shall serve as an ex-officio, non-voting member of the Executive Committee solely for the purpose of participating in the annual performance review and compensation evaluation of the General Manager, provided the immediate past president served as President during any portion of the year under review.

Section 2. Nominating Committee

- (a) **Selection.** The Nominating Committee shall be selected by the Board prior to July 1st of each year in which one or more new directors need to be elected. The Committee shall consist of a chairperson, who shall be any past president, and no less than four other members, with not more than one being a current Board member (who shall not be a candidate for re-election). The Nominating Committee

shall recommend a candidate for each director and officer whose term is expiring at the annual meeting. It shall not be necessary to renominate a director finishing his/her first term for reelection to a second term on the Board.

- (b) **Notice.** Promptly after Board selection of the Nominating Committee, the names of the members of the Nominating Committee shall be posted in two conspicuous places in the Clubhouse and/or Pro Shop and such notice shall also be communicated to the members by the same means as for the notice of the annual meeting of members. The notice shall invite members who are interested in serving on the Board to notify a member or members of the Nominating Committee.
- (c) **Slate of Candidates.** Not less than 30 days prior to the date of the annual meeting, the Nominating Committee shall select any new candidates for the Board and shall immediately thereafter post a list of said candidates in two conspicuous places in the Clubhouse and/or Pro Shop and communicate the list to the members by the same means as for the notice of the annual meeting of members.
- (d) **Other Nominees.** Not less than twenty-three (23) days prior to the date of the annual meeting, nominations may be made by any qualified Full Active or Single Active member of himself/herself or any other qualified member as a candidate for director by petition, signed by not less than 25 Full Active and/or Single Active members in good standing and submitted to the President or Secretary along with written acceptance of the nominee. A member shall not sign more than one petition, and if the same name appears on more than one petition, all the petitions signed by such member shall be invalidated.

Section 3. Other Committees

- (a) **Mandated Standing Committees.** The Board shall establish and maintain the following Standing Committees: Finance (chaired by the Treasurer), Audit (chaired by a director other than the Treasurer), Governance, Membership, and Strategic Planning.
- (b) **Operational Committees.** The Board may appoint such other committees as may be necessary to the successful administration of the Club (such as Communications, Facilities, Golf, House, Programs, Racquet Sports, or Social).
- (c) **Committee Governance.** Subject to these Bylaws, the Board shall designate the duties, powers, term and method of selection of the chair and members of each such committee.

ARTICLE VI

Officers

Section 1. General

The officers of the Club shall consist of a President, Vice-President, Secretary, and Treasurer, and such other officers or assistant officers as the Board shall from time to time appoint. The President, Vice-President, Secretary, and Treasurer shall be elected by the directors from the members of the Board. Officers shall hold office for one year and until their successors are elected and qualified, subject to their remaining tenure on the Board.

Section 2. President

The President shall preside at all meetings of the directors and/or members and shall have general charge and control over the affairs of the Club. The President shall be an ex-officio member of all committees.

Section 3. Vice President

The Vice President shall perform such duties as may be assigned by the Board. In case of death, disability, or absence of the President, the Vice President shall perform and be vested with all of the duties and powers of the President.

Section 4. Secretary

The Secretary shall maintain, or cause to be maintained, accurate minutes of all meetings of the members and the Board of Directors. The Secretary shall give, or cause to be given, all notices required by these Bylaws. The Secretary shall oversee the preservation of the Club's governing documents, corporate records, and non-financial archives, and ensure their availability in a designated physical or digital repository accessible to the Board.

Section 5. Treasurer

The Treasurer shall have oversight of the financial affairs of the Club. The daily management and execution of financial operations are delegated to the General Manager under the Treasurer's supervision. The Treasurer shall submit a current report of the financial condition of the Club and the management of any of the Club's invested funds at each meeting of the Board.

Section 6. Election

The officers shall be elected by the Board at its annual meeting. The proposed officers for the coming year shall be a discussion item on the agenda for the July meeting of the Board.

ARTICLE VII

Termination or Suspension of Membership

Section 1. Resignation

Any member may resign from membership in the Club provided all such member's indebtedness to the Club is discharged. All resignations must be in writing, addressed to the Secretary, and subject to payment of any remaining obligations, shall be effective as of date of receipt by the Secretary upon acceptance by the Board.

Section 2. Financial Delinquency

Members delinquent in the payment of dues and fees and other charges shall be notified in writing of the delinquency. The membership of any member remaining delinquent 60 days after the mailing of the delinquency notice will be suspended. If such charges have not been paid in full within 30 days of notice of such suspension, the Board may terminate the membership, however, such termination shall not relieve any remaining financial obligations of the member. Such suspension and/or termination may be appealed to the Board following the procedure set forth in Section 3(a), below.

Section 3. Adverse Membership Action for Cause

A member may be suspended, or expelled, or other appropriate action may be taken (including, but not limited to, fines or reprimands) for Cause by the Board; provided that no member may be suspended or expelled for Cause except in compliance with (a) below. The term "Cause" means (i) disorderly conduct at the Club, (ii) conduct endangering the good order, welfare, or character of the Club, (iii) violation(s) of one or more rules or regulations after written notice from the Club of prior violation(s) of any rule or regulation, and

(iv) other conduct or circumstances deemed by the Board to be materially adverse to the Club or its membership.

- (a) **Procedure for Suspension or Expulsion for Cause.** Prior to suspension or expulsion of a member for Cause, such member shall be given the right to be heard at a Board meeting in regard to the proposed action. Such meeting shall be held not less than 15 days after written notice shall have been given to such member. Such notice shall (i) set forth the date, time, and place of the meeting; (ii) specify that the meeting is to consider suspension and/or expulsion of such member, as the case may be; (iii) describe in reasonable detail the grounds for the proposed suspension or expulsion; and (iv) advise the member that they have a right to be present and heard at the meeting. At the conclusion of or subsequent to such meeting, and irrespective of whether such member attends the meeting, such member may be suspended or expelled, as the case may be, upon a two-thirds affirmative vote of the Board. Notwithstanding the first sentence of this paragraph, the Board may suspend a member for cause pending the meeting at which such member has the right to be heard, if (i) the Board determines by a two-thirds affirmative vote that, in light of the nature and/or potential consequences of the conduct or other action giving rise to the asserted cause, it is in the best interest of the Club and the membership that such member be suspended pending such meeting, and (ii) such meeting is scheduled and noticed for a date not more than 20 days after the effective date of such suspension.
- (b) **Rescission of Action.** The Board, by a vote of the same majority as required to impose the action, may rescind any action taken for cause under this Section 3, with or without such conditions as it shall determine.
- (c) **Appeal to Membership.** A member who has been suspended, expelled, or fined under this Section 3 may appeal such action to the members. No such appeal may be commenced unless all indebtedness of such member to the Club, including any fine imposed, shall have been paid in full. Such appeal may be commenced only by written notice to the Club, given within 10 days after notice of the Board action has been given to the member. Upon receipt of such notice, the Club shall call a special meeting of the members to consider such appeal; provided that if the annual meeting is to be held within sixty days of receipt by the Club of the notice of such appeal, the Club shall have the right to cause the appeal to be heard at such annual meeting. The action of the Board may only be overturned by a majority vote in accordance with Article II, Section 7. If a quorum of the membership is not present, in person or by proxy, at the special meeting or annual meeting called to hear the appeal, the appeal shall be deemed failed, the Board's action shall be final, and no further appeal regarding this matter may be brought.

ARTICLE VIII

Indemnification of Officers, Directors, Paid Staff and Nondirector Volunteers

Section 1. Persons Covered by Mandatory Indemnification

The mandatory rights to indemnification and advancement of expenses provided under this Article shall apply to any person who is or was a volunteer Board Director or Officer, including such individuals serving at the Club's explicit written request as a representative of another enterprise (a "Mandatory Indemnitee"). The

indemnification and defense of paid staff and nondirector volunteers shall be governed by the discretionary provisions set forth in Section 7 of this Article.

Section 2. Third-Party Claims

Except as otherwise expressly limited in this Article, the Club shall, to the fullest extent permitted by law, indemnify any Mandatory Indemnitee who was, is, or is threatened to be made a party to any proceeding (other than an action by or in the right of the Club) against expenses, attorneys' fees, judgments, penalties, fines, and settlement amounts actually and reasonably incurred. This protection applies if the Mandatory Indemnitee acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Club, and, with respect to criminal proceedings, had no reasonable cause to believe their conduct was unlawful. The termination of a proceeding by judgment, settlement, or conviction does not alone create a presumption of bad faith.

Section 3. Claims By or in the Right of the Club

The Club shall, to the fullest extent permitted by law, indemnify any Mandatory Indemnitee against actual and reasonable attorneys' fees and defense expenses incurred in connection with an action brought by or in the right of the Club to procure a judgment in its favor, provided they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Club. However, no indemnification shall be made for any claim or matter in which the Mandatory Indemnitee is adjudged liable to the Club, unless and only to the extent a court determines that, despite the adjudication of liability, the person is fairly and reasonably entitled to indemnity for expenses.

Section 4. Mandatory Indemnification for Successful Defense

To the extent a Mandatory Indemnitee is successful on the merits or otherwise in defense of any proceeding referred to in Sections 2 or 3, the Club shall indemnify them against all actual and reasonable attorneys' fees and expenses incurred in connection with the defense, or in any action brought to enforce this right.

Section 5. Determination of Conduct

Unless ordered by a court, indemnification under Sections 2 and 3 shall be made by the Club only upon a specific determination that the Mandatory Indemnitee met the required standard of conduct. This determination shall be made:

- (a) By a majority vote of a quorum of the Board consisting of directors who are not parties to the proceeding;
- (b) By a committee of two or more non-party directors designated by the Board;
- (c) By independent legal counsel in a written opinion, selected by a majority vote of a quorum of the Board or committee in the manner described in (a) or (b) above, or, if a quorum cannot be obtained under (a) and a committee cannot be designated under (b), by a majority vote of the full Board, provided that such counsel has no material conflict of interest with respect to the proceeding; or
- (d) By a majority of the voting members of the Club in accordance with Article II, Section 7, excluding any voting rights held by individuals who are parties or threatened parties to the proceeding.

Section 6. Advance Payment of Expenses

The Club shall advance all reasonable expenses incurred by a Mandatory Indemnitee in defending a proceeding upon receipt of a written undertaking by the individual to repay all advanced amounts if it is

ultimately determined by a final disposition of the proceeding that the person is not entitled to indemnification.

- (a) **Payment of Legal and Expert Fees.** All advancements for legal counsel, retainers, and experts shall be paid directly to the respective firm within thirty (30) days of receipt of an itemized billing statement approved by the Club's counsel, or, if none is available or appropriate, by the Board of Directors or its designated representative. If additional review is recommended, payment may be made as soon thereafter as reasonably practicable.
- (b) **Travel Expenses.** Reasonable defense travel, lodging, and essential meal expenses shall be billed through legal counsel as a client disbursement to the extent practicable, or reimbursed directly upon submission of receipts.
- (c) **Personal Accounts.** Under no circumstances shall the Club be required to disburse advanced funds directly to a Mandatory Indemnitee's personal account, except for the reimbursement of out-of-pocket travel expenses upon submission of receipts.

Section 7. Discretionary Indemnification of Paid Staff and Nondirector Volunteers

The Board of Directors may, in its sole discretion on a case-by-case basis, extend indemnification, defense, and/or expense advancement rights to any present or former paid employee, agent, or nondirector volunteer of the Club on such terms, conditions, and limitations as the Board deems proper and allowable under Michigan law. Such individuals possess no automatic or mandatory rights under this Article unless explicitly granted by a specific resolution of the Board.

Section 8. Insurance and General Provisions

- (a) **Insurance Authorization.** The Club may purchase and maintain Directors and Officers (D&O) liability insurance to support the protections provided by this Article.
- (b) **Non-Duplication of Benefit.** No person shall receive duplicative payment for the same expense or liability, and any amount otherwise payable by the Club under this Article shall be reduced by amounts actually received by or on behalf of that person from insurance or another source for the same expense or liability.
- (c) **Survival and Non-Exclusivity of Rights.** The rights to indemnification and advancement of expenses provided under this Article shall continue after a person ceases serving the Club and shall inure to the benefit of that person's heirs, personal representatives, and administrators. These rights shall not be exclusive of any other rights available under the Articles of Incorporation, these Bylaws, any agreement, vote of the Board of Directors or members, or otherwise.
- (d) **Protection Against Retroactive Impairment.** A right to indemnification or advancement of expenses arising under this Article shall not be eliminated or impaired by an amendment to these Bylaws after the occurrence of the act or omission giving rise to the proceeding for which indemnification or advancement is sought, unless the provision in effect at the time of the act or omission expressly permitted that elimination or impairment.
- (e) **Severability.** If any portion of this Article, or its application to any person or circumstance, is held invalid or unenforceable, the remaining provisions and applications shall remain in full force and effect.

ARTICLE IX

Club Obligations

All actions by or on behalf of the Club, whether in printed form, email or otherwise, relating to real estate, major construction, or involving a dollar amount greater than \$20,000, must be reviewed by qualified legal counsel before being signed or otherwise agreed to on behalf of the Club and shall not be binding on the Club unless signed by its President and Secretary. The completion of such review shall be confirmed by email or other writing by such counsel. The President and the General Manager shall be responsible for adherence to this policy.

ARTICLE X

Amendments

The Bylaws may be amended at any regular or special meeting of the members, by an affirmative vote of the members voting in person or by proxy at any meeting called for that purpose. A verbatim copy of the proposed amendment(s) shall be communicated to the members along with the notice of the meeting.

APPROVED at a regular meeting of the members of the Club on August 29, 2026.



Julie Sullivan, WLCC Secretary