

Park Colony Club

BY - LAWS

(October, 2009)

PARK COLONY CLUB

BY-LAWS

ARTICLE I

Name and Incorporation

SECTION 1

This organization shall be known as the Park Colony Club, hereinafter referred to as the "Club".

SECTION 2

This Club is incorporated as a non-profit corporation under the provisions of Act 327 of the Public Acts of 1931 of the State of Michigan as amended.

ARTICLE II

Purpose

The purpose for which this Club is founded is to promote the health and general welfare of its members and in pursuance thereof, to construct, own and operate a swimming pool, clubhouse, tennis courts, and other recreational facilities, together with such incidental objects as are appropriate in the conduct of its activities, in the County of Wayne and the State of Michigan for the use of its members and their families.

ARTICLE III

Fiscal Year

SECTION 1

The fiscal year of the Club shall be from January 1 to December 31 of each year.

ARTICLE IV

Board of Directors

SECTION 1

The Board of Directors shall consist of not more than twelve (12) members per year, six (6) to be elected annually to a term of two (2) years. In addition, the immediate Past President shall serve as ex-officio for a term of one (1) year. In the event of re-election of the current President, this term may be extended at the discretion of the Board of Directors.

SECTION 2

Liability of Directors: Indemnification of Directors and Officers; Insurance.

A. Liability of Directors:

A Director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for a breach of fiduciary duty as a Director, except for liability:

- a) for any breach of the Director's duty of loyalty to the corporation or its shareholders;
- b) for acts or omissions not in good faith or that involve intentional misconduct or knowing violation of the law;
- c) for a violation of Section 551 (1) of the Michigan Business Corporation Act (MCLA 450.1151 (1)): or
- d) for any transactions from which the Director derived an improper benefit.

In the event the Michigan Business Corporation Act or any other Michigan statute is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a Director of the Corporation shall be eliminated or limited to the fullest extent permitted by such an amendment. Any repeal, modification or adoption of any provision in these By-laws inconsistent with this Article shall not adversely affect any right of protection of a Director of the Corporation existing at the time of such appeal, modification or adoption.

B. Indemnification of Directors and Officers:

The Corporation shall indemnify any person who was or is a part to any threatened, pending or completed suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, by reason of the fact that such a person is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses including attorneys' fees and other costs, in settlement, actually and reasonably incurred by such person in connection with such action, suit or proceeding to the fullest extent permitted and in the manner provided by Section 561 through 565 of the Michigan Business Corporation Act or any other present provisions of the Michigan law relating to indemnification of an individual acting as a director or officer of a corporation. In the event the Michigan Business Corporation Act or any other Michigan statute is hereafter amended to further expand a corporation's ability to indemnify its directors and officers, indemnification shall be expanded to the fullest extent permitted by such amendment.

The right of indemnification herein provided shall extend not only to the individual but also to the estate or to the personal representative, conservator or trustee of the estate or any trust of a deceased or former director or officer who would have been entitled to indemnification under Article IV. Such rights of indemnification and reimbursement under this Article IV shall not be deemed exclusive of any other rights to which such director or officer may be entitled under any provision of Michigan law or any agreement, vote of Shareholder or otherwise.

C. Insurance:

The corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation, as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such persons arising out of such capacity, whether or not the corporation would have power to indemnify such persons against such liability.

SECTION 3

The Board of Directors shall have the following powers and other powers as are consistent with the Articles of Incorporation and the Statutes of the State of Michigan:

- A. The business and property of the Club shall be managed and controlled by the Board of Directors, except as the By-laws specifically require action by the members.
- B. To make and enforce the rules and regulations covering the use of the clubhouse, swimming pool, tennis courts, and other facilities and assets owned or possessed by the Club, including the use and rental of the facilities by non-members and organizations on such terms and conditions as the Board of Directors shall determine.
- C. To purchase or otherwise acquire for the Club any property, rights, or privileges which are necessary and advisable for the operation of the Club and the management of its property at such prices or consideration and on such terms and conditions as they may deem expedient.
- D. To borrow money, to create, make and issue mortgages, bonds, negotiable or transferable instruments, promissory notes and securities secured by mortgage or otherwise and to do every act reasonably necessary to effectuate said documents.
- E. The Board of Directors may authorize such special and standing committees from among the members of the Club as it shall deem necessary or desirable in the management and operation of the Club's affairs and shall define the functions and duties of such committees. The President shall appoint the members of such committees, subject to the consent of the Board of Directors, and such committee members may be removed at the will of the President subject to the approval of the Board.
- F. To appoint or elect such officers, managers, clerks, agents, or employees, as it may deem necessary and shall fix their duties and compensation and shall have the power in its sole discretion to remove such persons from their office or appointment.
- G. To determine, impose or remit penalties for violations of the By-laws and Rules and Regulations of the Club.

SECTION 4

Each member of the Board of Directors, as a requirement for office, will have a Class A Membership or Class B Membership in good standing and upon relinquishing of such membership shall automatically cease to be a member of the Board of Directors, and a vacancy shall thereupon be created in the Board. However, the number of Class B Memberships serving on the Board of Directors shall not occupy the majority of positions on the Board of Directors.

SECTION 5

Whenever a vacancy shall occur on the Board of Directors, the remaining Directors shall fill such vacancy by an election of a Director to serve until the next annual meeting, at which time a Director shall be elected for the unexpired portion of such time.

SECTION 6

The Board of Directors shall hold their regular meeting at least once each month at such place and time as the Board of Directors shall, from time to time, determine. Special meetings of the Board of Directors shall be whenever called by the President or any four (4) members of the Board upon written petition filed with the Secretary. Notice of regular monthly meeting of the Board need not be given. Notice of each special meeting, setting forth the time and place of the meeting, shall be given to each Director at least forty-eight (48) hours before the meeting personally or by sending a copy of the notice through the mail or any other reasonable means the Secretary shall determine.

SECTION 7

A Director may waive in writing, notice of a special meeting of the Board of Directors either before or after the meeting and his waiver shall be deemed the equivalent of giving notice. Attendance of a Director at the meeting shall constitute waiver of notice of that meeting unless he attends for the express purpose of objecting to the transaction of business because the meeting has not been lawfully called or convened.

SECTION 8

If a majority of the Directors consent in writing to any action taken on behalf of the Club, and the writing evidencing their consent is filed with the Secretary of the Club, the action shall be as valid as though it had been authorized at a meeting of the Board of Directors. It shall be the responsibility of the Secretary to make every reasonable effort to contact all Board members for their vote.

SECTION 9

A quorum for the conduct of business shall be seven (7) members of the Board of Directors; and if less than seven (7) members are present at a regular or special meeting, those attending shall have the power to adjourn the meeting to a later date. No member of the Board of Directors may designate any other member of the Board or any other person to cast his vote either by proxy, assignment, voting trust, or in any other manner.

SECTION 10

The Board of Directors shall determine and designate the form of Membership Certificates to be issued by the Club and the authentication thereof, the method of issuing and transfer, assignment and redemption thereof.

SECTION 11

Any member of the Board of Directors may be removed from office by a three-quarters (3/4) vote of the members of the Board of Directors or a two-thirds (2/3) vote of the membership at an annual meeting or such special meeting called in accordance with these By-laws.

SECTION 12

The Board of Directors shall determine the manner of the ballot and the means for counting the ballots. The candidates receiving the greater number of votes shall be declared elected. In the event two or more candidates receive an equal number of votes, such tie shall be resolved by lot.

SECTION 13

In the event that compensation of a Director holding the position of President, Treasurer, Personnel &

Payroll Director or Buildings & Grounds Director is warranted, the amounts up to and including full dues compensation may be awarded by a majority vote of the Board of Directors, excluding the Director being compensated. Amounts up to seventy-five (75%) percent of the above positions may be awarded to all other Directors by a majority vote of the Board of Directors. Larger amounts must be approved by a majority vote at a General Membership Meeting. All awards must be reported to the general membership and paid after General Membership Meeting.

SECTION 14

The Board of Directors shall take office on October First of the year they are elected.

ARTICLE V

Officers

SECTION 1

The executive officers of the Club shall be the President, Vice President, Secretary and Treasurer, all of whom shall be elected by the incoming and outgoing combined Board of Directors from the board at the first meeting of Directors after the Annual Meeting. Said Officers shall hold office for one (1) year or until their respective successors shall have been duly elected and qualified.

SECTION 2

The President shall be the chief executive officer of the Club and shall have general supervision of the business of the Club. He shall preside at all meetings of the Club and the Board of Directors, having a range of authority usually delegated to a chief executive. He shall appoint all standing committees of the Club subject to confirmation of the Board of Directors. The President shall be an ex-officio member of all committees and entitled to one vote at all meetings of such committees. He shall perform such other duties as the Board of Directors shall from time to time prescribe.

SECTION 3

The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. He shall perform whatever additional duties and have whatever powers the Board of Directors may from time to time assign him.

SECTION 4

The Secretary shall attend all meetings of the Directors and of the Club and shall keep or cause to be kept a true and complete record of the proceedings of those meetings. He shall give or cause to be given notice of all meetings and shall perform whatever additional duties the Board of Directors may from time to time prescribe.

SECTION 5

Past President service as ex-officio shall have all the privileges of board membership including the right to make motions and to vote. Past President shall serve in an advisory capacity and may choose to accept additional duties from time to time at the Board's request.

SECTION 6

The Treasurer shall have custody of the funds of the Club and shall be responsible for all official contracts and the safekeeping of the Club documents. He shall keep or cause to be kept full and accurate accounts of receipts and disbursements and shall deposit all Club monies and other valuable effects in the name and to the credit of the Club in a depository designated by the Board of Directors. He shall disburse the funds of the Club and shall render to the President or the Board of Directors whenever they may require it, an account of his transactions and the financial condition of the Club. He shall not disburse any monies or dispose of any assets except with the express permission of the Board of Directors. The Treasurer shall be responsible for submitting all tax forms.

SECTION 7

Whenever an officer is absent or whenever for any reason the Board of Directors may deem it desirable, the Board may delegate the powers and duties of an officer to any other officer or officers or to any Director or Directors.

SECTION 8

The books of the Treasurer shall be reviewed annually by an accountant appointed by the President subject to confirmation by the Board of Directors. No member of the Board of Directors shall conduct the review. The review must be submitted within six (6) months after the close of the fiscal year to the Board of Directors. Upon request, any Class A member may review this report.

ARTICLE VI

Membership

SECTION 1

The Club shall have the following classes of membership: Class A Membership, Class B Membership, Associate Membership, Social Membership and Special Membership. Exclusive of Social and Special Membership, the maximum membership of the Club shall be three hundred A and B Memberships paying full dues and all assessments.

SECTION 2

- A. Class A & B Memberships may be conferred on persons twenty-one (21) years of age or older.
- B. Class A members in good standing and all immediate single members of their household or immediate family, until twenty-five (25) years of age, shall be entitled to all privileges of the Club. Only a dues paying Class A Membership in good standing shall be entitled to vote on all matters. Each membership shall have one vote. The subscription price of a Class A membership shall be the current market value and payment shall be upon such terms and conditions as the Board of Directors may determine from time to time.
- C. Class B members in good standing and all immediate single members of their household or immediate family, until twenty-five (25) years of age, shall be entitled to all privileges of the Club. The number of Class B memberships shall be limited to no more than one-third of the maximum membership and no less than one-eighth of the maximum memberships. Class B members in good standing shall be entitled to vote on all matters except as limited by these By-laws. Each membership shall have one vote. The subscription price of a Class B membership shall be One Hundred Dollars (\$100.00) less than the current market value of a Class A membership and payment shall be upon such

terms and conditions as the Board of Directors may determine from time to time.

- D. A membership in good standing is one that currently owes no debt to the club.

SECTION 3

Associate Membership shall be issued to those persons elected to such membership by the Board of Directors. There shall be no subscription price for Associate Memberships. To qualify for election, a person shall be a son or daughter and/or spouse of a son or daughter of a Class A Membership or Class B Membership. Upon termination of the Class A Membership or Class B Membership sponsoring the Associate Member, Associate Membership shall also terminate. Associate Memberships have no voting rights.

SECTION 4

The Board of Directors may issue a Special Membership upon such terms and conditions as the Board of Directors shall determine.

SECTION 5

The privileges and conditions of all memberships shall be subject to change by the Board of Directors from time to time.

SECTION 6

The Board of Directors shall confer Class A Membership or Class B Membership only upon those applicants who shall be approved by a two-thirds (2/3) vote of the members of the Board present. No Certificate of Membership shall be issued until the application has been approved.

SECTION 7

- A. Any member, after having been given an opportunity for a hearing, may be suspended for a period not exceeding three (3) months by a two-thirds vote of all members of the Board of Directors present at any meeting. Expulsion may be by a three-quarters vote of the entire membership of the Board of Directors. Cause for suspension or expulsion shall in general consist of violation of these By-laws or current rules and regulations of the Club.
- B. The Board of Directors may delegate to the acting Club Managers the power to suspend club privileges for the violation of the Club Rules and Regulations provided such suspension does not exceed seven (7) days. A written report of such suspension, containing reasons therefor, shall be submitted to the President within twenty-four (24) hours.

SECTION 8

Any property of the Club broken or damaged by a member of any Class, or his guest, shall be promptly paid for by such member. Club property shall not be removed from the premises unless authorized by the Board of Directors.

ARTICLE VII

Dues and Assessments

SECTION 1

- A. The Board of Directors shall present to the membership at the annual meeting a proposed operating budget, which shall be approved, with or without amendment by a majority vote of the members present and voting; Thereafter, such budget shall not be amended by the Board of Directors without concurring vote of two-thirds (2/3) of the members of said Board.
- B. The Board of Directors shall establish dues and maintenance assessment for each class of membership for the ensuing fiscal year. Such dues and assessments shall not exceed the amount necessary to finance the approved operating budget, provide for the retirement of any existing indebtedness of the Club, and provide a reasonable reserve for contingencies and depreciation.
- a. Dues for Class A or Class B Memberships held by a single person having no dependents, will not exceed three-quarters (3/4) of the regular Class A or Class B Membership dues; any assessment against Class A or Class B Membership will not be reduced by this provision for such single persons having no dependents.
- Effective September 1, 2001 there will be no new single person memberships issued by the club. All existing single person memberships will continue as is until they sell their membership or their status as a single person with no dependents ceases to exist. If a single membership wishes to transfer their membership to a family member under ARTICLE VIII, SECTION 10 of these by-laws, the membership will no longer be classified as a single membership.
- b. Dues and maintenance assessments for Associate Memberships shall be equal to those paid by Class A or Class B Memberships.
- C. No dues or assessment, nor part thereof, shall be refunded in the event that Club operations are suspended for any period, nor in the event of a sale or transfer of membership.

SECTION 2

Dues and work assessments are payable by no later than April 1, which is considered the due date. The due date for new memberships after March 1 is April 1 of the current year or thirty (30) days after the membership date, whichever is later. Any member of any Class failing to pay dues, work assessments, or any outstanding indebtedness by the due date shall have added to the total amount due a penalty of twenty percent (20%) of the amount due and the same shall become immediately due and payable. Until such time as the indebtedness and penalty are paid, the membership shall be denied use of all Club facilities.

In the event that membership dues, work assessment, and other indebtedness remain outstanding thirty (30) days after the due date, the Club shall have a lien upon the membership certificate for all outstanding amounts. On the 31st day after the due date, the member will be notified by Certified Mail that their membership will be forfeited and sold with the proceeds applied against all outstanding amounts due to the Club. The member then has thirty (30) days in which to either pay the amount due and keep their membership or appeal to the Board of Directors for an alternate decision.

In the event that membership dues, work assessment, and other indebtedness remain outstanding sixty (60) days after the due date, the membership shall be forfeited.

SECTION 3

The Board of Directors shall determine what portion, if any, of the annual dues may be waived for those members joining the Club after June 1.

SECTION 4

A maintenance assessment shall be established and incurred upon all classes of memberships. The assessment shall be paid along with the dues and can be worked off as determined by the Board of Directors.

SECTION 5

The Board of Directors may recommend for general membership approval a special assessment for Class A and B Classes of Memberships.

ARTICLE VIII

Certificate of Membership and Transfer of Membership

SECTION 1

A Certificate of Membership for Class A Membership shall be issued upon payment of the subscription price. Certificates shall be in the form approved by the Board of Directors and Signed by the President and/or Treasurer.

SECTION 2

Class B Memberships, Associate memberships and Special Memberships shall not be transferable or assignable. Class A Memberships are subject to the following restrictions:

In the event that any holder of a Certificate of Class A Membership shall desire to sell or transfer the Certificate evidencing a membership in the Club, such certificate holder shall deliver to the Club a written notice stating sale price, date, and signature of membership holder(s). Upon receipt of said notice, the Club shall have the option for sixty (60) days after receipt of said notice, to purchase or transfer the Certificate of such offering member at the subscription price. The purchase or transfer transaction between seller and buyer of the membership must go through Park Colony Club and a transfer fee of Twenty-five dollars (\$25.00) shall be paid to the Club by seller. In the event that the Club does not exercise its option within the said sixty (60) day period, the member desiring to sell or transfer may sell or transfer said Certificate to any person but the Club shall have the additional right to be informed of the sale price and within a period of thirty (30) days to match said sale price. The selling member shall thereupon sell, transfer and assign the said Certificate to the purchaser, but such purchaser shall be subject to qualifying as a member under the rules of membership, and in the event that such purchaser shall not be able to qualify as a member under the rules of membership, then the Club shall have the right to refuse to transfer said membership on the books of the Club. The Club shall at all times observe the rules and regulations pertaining to membership and shall not unreasonably refuse or delay to transfer a membership when all requirements have been met.

SECTION 3

Membership Certificates shall be transferable only on the books of the Club. All Certificates transferred in accordance with the By-laws shall be tendered to the Treasurer for cancellation and reissuance in the Name of the Transferee. For purpose of establishing an effective date, the transfer is deemed to take effect on the date the Certificate is delivered to the Treasurer.

SECTION 4

Upon the death of any registered owner of Class A Membership or Class B Membership, the surviving member shall be presumed to be the lawful representative and owner of the membership unless written designation is received and filed with the Club designating some other person.

SECTION 5

In the event of divorce, the Club must be notified in writing by both parties as to who retains legal ownership of the membership.

SECTION 6

Upon dissolution of the Club, only Class A Memberships shall be entitled to a pro-rata distribution of the assets of the Club after payment of all debts and liquidation of all liabilities. No membership other than Class A membership shall be considered to have an interest in the property or assets of the Club.

SECTION 7

A Class A member and a Class B member may go on inactive status no longer than one year. Written notice must be given by April 1st of the current year. During this period of inactivity they will be required to pay all assessments and 25% of the Club dues. These people may not use the Club. After the one year, the member will be required to resume active status or deliver to the Club a written notice indicating a desire to sell his membership according to Article VIII, Section 2 of these By-laws.

SECTION 8

Class A Memberships must be listed for sale with the Membership Director. The request must be in writing, indicate the sale price desired, and be signed by the member(s) selling. The request to sell must be received by the Membership Director no later than April 1. In the event that the request to sell is received between April 1 and April 30, the member is then responsible for paying both the work assessment and late fees for the current season. If the request to sell is received after April 30, then the member is responsible for paying dues, work assessment and the late fees for the current season. Memberships on the sale list may not use the club facilities and must remain on the list for three years or until the membership is sold. Memberships on this list must pay all assessments. After eighteen (18) months on the list, they must pay 25% of the dues at the next regular billing.

SECTION 9

A Class B member in good standing may upgrade to a Class A membership by notifying the Membership Director with a signed and dated request. When a Class A membership becomes available and the Class B member accepts same, the member must execute a new Application, remit a Twenty-five dollar (\$25.00) transfer fee, and pay the difference between the original purchase price of the Class B membership and the available Class A membership. Upon approval of the Board of Directors, a Class A membership certificate will be issued to the member.

SECTION 10

Class A members may transfer their memberships to members of their immediate families. Immediate family members include daughter, son, granddaughter, grandson, mother, father, grandmother and grandfather. Written notice must be submitted to the Membership Director after October 1 and before March 1. Said notice must be signed by each selling member. A transfer fee of Twenty-five dollars (\$25.00) must be submitted with the transfer request. The new member must fill out a membership application and shall be subject to qualifying as a member under the rules of membership. In the event that said transferee shall not be able to qualify as a member under the rules of membership, then the Club shall have the right to refuse to transfer said membership on the books of the Club. The Club shall at all times observe the rules and regulations pertaining to membership and shall not unreasonably refuse or delay to transfer a membership when all requirements have been met. If all conditions have been met, a new membership certificate will be issued and the new member will be responsible for dues and work assessments.

ARTICLE IX

Membership Meeting

SECTION 1

- A. The annual meeting of Class A Membership and Class B Membership shall be held in August of each year, at such a place and time as the Board of Directors may determine.
- B. The annual meeting shall be for the purpose of electing Directors, presenting committee reports, and for the transaction of such other business as may be indicated in the notice or may be brought before it, and a proposed budget for the next fiscal year.

SECTION 2

Special meetings of the Club may be called by the Board of Directors. Also, upon the written request of ten (10) Class A Memberships to the Secretary, stating the purpose thereof, a special meeting shall be called by the Secretary within thirty (30) days.

SECTION 3

- A. Notice of the annual meeting shall be given by mail to the members at least five (5) days prior thereto.
- B. Special meetings of the Club may be held on five (5) days notice by mail to all members. The notice shall state the purpose for which the special meeting is called, and no other business shall be transacted thereat. Issues concerning sale, dissolution or merger of the Club will follow guidelines as addressed in Article X, Section 2.

SECTION 4

- A. Only a Class A Membership or Class B Membership in good standing shall be entitled to vote at meetings of the Club unless otherwise provided in the By-laws. Voting shall be via voice, but ten (10) memberships entitled to vote have the right to demand vote by roll call.
- B. Absentee ballots may be made available upon request for special meeting called by the Board of Directors.

SECTION 5

Ten (10) percent of the membership in good standing shall constitute a quorum at all meetings of the membership of the Club with the exception of sale, dissolution or merger of the Club.

ARTICLE X

Class A Membership

SECTION 1

Provided that the number of Class A Memberships at a meeting of the membership represents 10 percent of the total Class A Memberships in the Club, the following actions shall require a two-thirds (2/3) vote of the Class A Memberships present and entitled to vote provided that written notice has been duly given.

- A. Amendment of Article X of these By-laws.
- B. Assessments against the Class A Memberships only.
- C. The sale of any particular parcel of property or any assets of the Club in excess of Ten Thousand (\$10,000) Dollars.
- D. Incurring any indebtedness in excess of Ten Thousand (\$10,000) Dollars for non-budgeted items.

SECTION 2

The issue of sale, dissolution or merger of the Club will require the following:

- A. A 30 day advance written notification of meeting to Class A Memberships in good standing via registered mail, stating purpose of meeting, date, time and place.
- B. 60% (sixty) of the total Class A Memberships must be in attendance and will represent a quorum. Absentee ballots shall be made available upon request. A majority vote of the total Class A memberships will be required to authorize any change in Club status regarding sale, dissolution or merger of the Club.

SECTION 3

Unless otherwise determined by the Board of Directors, all contracts, deeds, documents and instruments shall be executed by the President.

SECTION 4

Checks, notes, drafts, and demands for money shall be signed from time to time by the officer or officers designated by the Board of Directors.

ARTICLE XI

Parliamentary Procedure

SECTION 1

The rules contained in the current edition of Roberts Rules of Order shall govern the organization in all cases where they are not inconsistent with these By-laws and any special standing rules the Club may adopt.

SECTION 2

A Parliamentarian may be appointed by the President from among the members of the executive board to decide any and all questions of procedure.

ARTICLE XII

SECTION 1

The By-laws of the Club may be amended by a two-thirds (2/3) vote of the A and B Memberships present and in good standing provided written notice has been mailed prior to the meeting and provided a quorum is present. Article X may be amended only by two-thirds (2/3) vote of the A Memberships in good standing when written notice is given and a quorum is present.