

## SAGINAW COUNTRY CLUB BYLAWS

Updated March 6, 2024

### ARTICLE I – GENERAL

#### Section 1: Name

The name of this Club shall be Saginaw Country Club, Inc., referred to hereinafter as the Club.

#### Section 2: Location

The location of the Club shall be Gratiot Avenue, Saginaw Township, Saginaw, Michigan.

#### Section 3: Corporate Seal

The Club shall have an appropriate corporate seal.

#### Section 4: Objective and Authority

The object of the Club is to promote and encourage the game of golf and kindred activities. The Club shall have the

authority to buy, sell, mortgage, pledge and deal generally in such real and personal property as may be necessary or

convenient in the furtherance of such object.

### ARTICLE II – MANAGEMENT

#### Section 1: Officers and Board of Governors

The business and property of the Club shall be managed and controlled by the Board of Governors. The Board of

Governors shall not incur any indebtedness which cannot reasonably be expected to be discharged from the

anticipated cash resources of the Club for the current year without first receiving authority to do so by a majority vote

of the members present at a members' meeting.

#### Section 2: Election of Governors

The Board of Governors shall consist of nine Class A members, or their spouse, three of whom shall be elected each

year at the annual members' meeting for a term of three years commencing January 1 of the year following their

election.

### Section 3: Election of Officers

Officers of the Club shall be elected from among the Governors and at a meeting of the Board of Governors to be

held after the annual members' meeting and prior to January 1 of the year immediately following such meeting. Only

those Governors who shall serve as Governors after January 1 shall be entitled to vote for the officers. The officers shall

consist of a President, a Vice President, a Treasurer and a Secretary. The term of office for each officer shall be for

one year commencing January 1 of the year immediately following the election of officers.

### Section 4: Removal of Governors

The Board of Governors, by two-thirds affirmative vote of the entire Board, may remove any member of the Board of

Governors whenever in its judgment the best interests of the Club will be served thereby.

### Section 5: Vacancies

Should any vacancy in the Board of Governors occur, for any reason, between successive annual members'

meetings, the remaining Governors shall elect, by majority vote of the entire Board, a Class A member as a substitute

Governor to fill such vacancy. The term of a substitute Governor shall expire at the expiration of the term of the

Governor who is replaced by such substitute Governor.

## ARTICLE III – DUTIES AND POWERS OF THE OFFICERS AND GOVERNORS

### Section 1: President

The President shall preside at all meetings of the membership of the Club, and at all meetings of the Board of

Governors, sign all stock certificates, sign all contracts to which the Club is a party, perform such other duties as shall

be prescribed by the Board of Governors, and serve as a member ex-officio of all committees.

#### Section 2: Vice-President

The Vice-President shall perform the duties of the President when the President is absent or is unable to perform.

The Vice-President shall also perform such other duties as shall be prescribed by the Board of Governors or the

President.

#### Section 3: Past President

The immediate Past President shall serve on the Board of Governors as a regular member thereof until the

conclusion of the term for which he was elected a Governor. In the event such term expires at the conclusion of his

term of office, he shall, unless impracticable, serve on the Board of Governors for the immediately following year as a

non-voting ex-officio member and perform such duties as may be assigned by the Board of Governors.

#### Section 4: Treasurer

(a) The Treasurer shall have responsibility for and keep account of all money, funds and property of the club, unless

otherwise determined by the Board of Governors, and shall render such accounts and present such statements to the

Governors and President as may be required. The Treasurer shall deposit all funds of the Club in such bank or banks

as the Board of Governors may designate. The Treasurer shall keep the Club's bank accounts in the name of the

Club and shall exhibit the Club's books and accounts at all reasonable times to any Governor of the Club during

business hours. The Treasurer shall pay out money as the business may require upon the order of the properly

constituted officer or officers of the Club, taking proper vouchers therefore, provided however, that the Board of

Governors shall have power by resolution to delegate any of the duties of the Treasurer to other officers or agents,

and to provide by what officers or agents if any, all bills, notes, checks, vouchers, orders or other instruments shall be

countersigned.

(b) The Treasurer's accounts shall be audited annually by no later than the date of the next succeeding annual

members' meeting by an Independent Certified Public Accountant appointed by the Board of Governors.

(c) The Treasurer shall perform, in addition, such duties as may be delegated by the Board of Governors or the

President.

#### Section 5: Secretary

The Secretary shall keep minutes of all meetings of the Club and of its Board of Governors. The Secretary shall keep

the stock book and the seal of the Club and shall co-sign, with the President, the Stock certificates and perform such

other duties as usually pertain to the Secretary's office. The Secretary shall also keep an accurate record of the

names and addresses of all members of the Club and in addition, perform such other duties as may be delegated by

the Board of Governors or the President.

#### Section 6: Board of Governors

(a) The Board of Governors may appoint such other officers and agents as it may deem necessary for the

transaction of the business of the Club. All such other officers and agents shall respectively serve for such term and

have such authority and perform such duties in the management of the property and affairs of the Club, as may be

designated by the Board of Governors.

(b) The Board of Governors may secure the fidelity of all officers and agents by bond or otherwise.

(c) The Board of Governors may from time to time promulgate such rules and regulations as it shall deem

appropriate governing and limiting the use of the Club facilities by members and their guests.

(d) The interpretation of Bylaws, rules and regulations shall rest with the Board of Governors.

(e) The Board of Governors, by two-third affirmative vote of the entire Board, shall have the authority to censure,

suspend or expel any member for any conduct deemed improper or prejudicial to the best interests of the Club.

(f) Should the Board of Governors receive a petition signed by ten or more members to censure, suspend, or expel

any member for conduct deemed improper or prejudicial to the best interest of the club, the Board shall act upon such

petition in accordance with Article III Section 5: (e).

#### ARTICLE IV – MEETINGS OF THE BOARD OF GOVERNORS

##### Section 1: Meetings

(a) Regular - A regular meeting of the Board of Governors shall be held once each month at a time fixed by the

President.

(b) Special - Special meetings of the Board of Governors may be called at any time by the President or may be

called on the written request of any two members of the Board of Governors.

##### Section 2: Notices

Governors shall be notified in writing of the time, place and purpose of all meetings of the Board of Governors at least

five days prior to the meeting. Any governor shall, however, waive such notice by his attendance at such meeting.

##### Section 3: Quorum

The presence of five (5) members of the Board of Governors at a regular or special meeting shall constitute a quorum

for the transaction of business.

#### Section 4: Compensation

No member of the Board of Governors shall receive any salary or compensation for his services as Governor.

### ARTICLE V – COMMITTEES

#### Section 1: Committees

(a) The standing committees of the Club shall be the following: House Committee, Golf and Games Committee,

Green and Grounds Committee, Budget and Finance Committee, Long-Range Planning Committee, Social

Committee, Membership Committee, Legacy Fund Committee, and the Pool, Tennis, and Fitness Center Committee.

The President shall, with approval of the Board of Governors, create such other committees as he/she may deem

desirable for the proper conduct of the business and social activities of the Club.

(b) The President shall appoint the chairperson of each of the committees.

(i) Chairpersons of the standing committees will be appointed from the Board of Governors.

(ii) Chairpersons of other committees shall be members of the Club.

(c) The President of the Board of Governors shall be an ex-officio member of each committee.

#### Section 2: Members of Committees

(a) Each of the standing committees shall consist of, in addition to the Chairperson, at least three (3) other members;

and each of the other committees shall consist of such numbers as the President of the Club shall deem necessary to

carry out the objectives of said committee. The members of the committees may be any Class A or B member or their

spouse. Each member of a committee is entitled to one (1) vote on all matters coming before said committee.

(b) Other personnel may serve as advisory members to the Club's Committees. The advisory members shall not

have the right to vote.

## ARTICLE VI – MEMBERSHIP MEETINGS

### Section 1: Annual Meeting

(a) There shall be an annual members' meeting of the members of the Club for the election of a Board of Governors

and for such other business as may properly come before it. The meeting shall be held subsequent to October 1st,

but not later than December 1st, at the discretion of the Board of Governors,

(b) On all matters voted upon at the annual meeting, including the election of the Board of Governors, each Class A

member shall have one (1) vote and each class B member shall have one-third (1/3) of one (1) vote.

(c) Except in the circumstances of Article VI, Sec. 1 (d) (i), the members of the Board of Governors of the Club shall be elected by secret ballot at the annual meeting.

(d) Procedure for the nomination of candidates for the Board of Governors:

(i) The Chairperson of the Nominating Committee shall be the immediate past president, and six (6) other

members selected by the current Board of Governors, with not more than two (2) being current Board

members. The nominating committee shall recommend at least one (1) Class A member for each Governor

to be elected at the annual meeting. Only one member from each Class A family can serve at a time on the

Board.

(ii) The names of the members of the Nominating Committee shall be posted in three conspicuous places in

the Clubhouse and said notice shall invite Class A members who are interested in serving on the Board of

Governors to so notify a member or members of the Nominating Committee.

(iii) Not less than forty-five (45) days prior to the date of the annual meeting, the Nominating Committee shall

select its candidates for the Board of Governors and shall immediately thereafter post a list of said

candidates in three (3) conspicuous places in the Club.

(iv) Not less than thirty (30) days prior to the date of the annual meeting, nominations may be made by any

qualified Class A member or himself/herself as a candidate for governor by petition, signed by not less than

twenty (20) Class A 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 three (3) petitions, and if the same

name appears on more than three (3) petitions, all of the petitions signed by such member shall be

invalidated.

(v) If, on the day of the annual meeting the candidates for the Board of Governors consist only of those

members who were nominated by the Nominating Committee, the President shall declare those members to

have been elected Governors.

(vi) At least fifteen (15) days before the date of the annual meeting, the Secretary shall communicate, to the

Club members, a list of candidates so nominated by either the Nominating Committee or by the members.

(e) On the day of the annual meeting the President shall appoint a minimum of one (1) and up to five (5) members to

be inspectors and tellers. Such members must be present at the meeting and shall not be candidates for the Board of

Governors, nor current members thereof. Such inspectors and tellers shall provide a ballot box for the reception of

ballots for one hour preceding the stated hour at which the annual meeting is to commence. Upon the expiration of

the hour, such inspectors and tellers shall count the ballots, cast and report the result to the President, who shall

announce the result to the members. The candidates receiving the largest number of votes shall be elected

Governors.

#### Section 2: Special Meetings

Special meetings of the members of the Club shall be called by the President at the request of the Board of

Governors or upon the written request of forty (40) members in good standing presented to the Secretary.

#### Section 3: Notice

Written notice of any members' meeting shall be mailed to each member at his/her last known address, as the name

appears on the stock book of the Club, or the membership roster, or otherwise, at least fifteen (15) days prior to any

meeting, and any notice of special meeting shall indicate briefly the object or objects thereof.

#### Section 4: Voting

(a) Any member may vote on all questions and in all elections in person, or by absentee ballot, filed with the

Secretary prior to the convening of meeting.

(b) Proxy voting is not permitted.

(c) With each notice of a members' meeting, there shall be included an application for an absentee ballot. Any

member who desires an absentee ballot shall deliver his/her completed application, either in person or by mail,

addressed to the Secretary of the Club, whereupon an absentee ballot shall be handed to the member or mailed to

him/her at his/her last known address, or to such other address as may be specified in the application. Absentee

ballots will be accepted up to the scheduled start time of a members' meeting.

(d) One or more of the tellers shall be designated by the President to handle the absentee ballots and they shall be

charged to maintain inviolate the secrecy of the absentee ballot and to ensure that no person votes both in person

and by absentee ballot.

(e) Absentee ballots will be accepted up to scheduled start time of a member meeting. The inspectors and tellers, by

majority vote, shall have final authority to determine whether or not an absentee ballot is to be counted or not

counted.

#### Section 5: Quorum

Twenty (20) members of the Club shall constitute a quorum at all members' meetings.

### ARTICLE VII – CAPITAL STOCK

#### Section 1: Certificates

Certificates of stock shall be issued in such forms as shall be adopted by the Board of Governors and shall be signed

by the President or Vice-President and Secretary of the Club. The name and address of the person owning the stock,

and the date of issue shall be entered on the books of the Club.

#### Section 2: Shares per Member

No member shall control or own more than one (1) share of stock.

#### Section 3: Transfers

Any Class A member may sell or transfer his stock at private sale, subject to the following:

(a) The Club shall have the first right and option to purchase such stock for a period of fifteen (15) days following

receipt of written intention of resignation, for an amount designated by the selling Class A member. If the Club does

not exercise its option to purchase, the provisional resignor has the following options:

(i) Surrender his/her stock certificate, endorsed in blank, upon payment to him/her by the Club of the par

value of the stock, thereby waiving all other claims to any portion of his member's equity. The member's

obligation for dues shall cease on the first day of the month following the receipt by the Club of his/her stock

certificate. The Club then may sell or retire such stock, at the discretion of the Board of Governors. Should

the Club sell the stock within one year following the date of its surrender, the proceeds of the sale shall be

applied first toward the amount of monthly assessments accrued to the share of stock from the first day of

the month following the date of resignation, to the last day of the month in which stock is sold and second,

toward the payment of any indebtedness, plus interest, at the highest prevailing lawful rate. Thereafter, any

excess shall be remitted to the resigned member. Any indebtedness in excess of the proceeds from the sale

of such stock shall remain a liability of the resigned member.

(ii) Submit the name of a candidate for Class A membership and a letter which informs the Club of the

proposed transfer of stock to such candidate.

(b) Upon election to Class A membership of such candidate, or any other candidate who subscribes for the resigning

member's stock, and upon the transfer of such stock to such candidate, the resigning member shall not be

responsible for any future dues or assessments, but the stock will not be transferred until all of the resigning

member's indebtedness to the Club is paid.

#### Section 4: Death of a Class A Member

(a) In the event of the death of a Class A member whose stock is, by order of the appropriate Court or otherwise,

transferred to a beneficiary of said deceased member, and if such transferee is a person who is qualified under these

Bylaws to hold such stock as a Class A member, then upon payment to the Club of any applicable fees, said stock

shall be reissued in the name of said beneficiary in accordance with Article VII of these Bylaws.

(b) If the stock of said deceased Class A member is sold by the decedent's estate, or is transferred to a person who

is not eligible to be a Class A member, then the estate of the deceased member shall continue to be responsible for

the payment of all dues, assessments and other indebtedness in the same manner as the deceased member would

have been responsible.

#### ARTICLE VIII – MEMBERSHIP, ENTRANCE FEES AND DUES

##### Section 1: Election of Members

(a) Candidates for membership in any classification shall be proposed by not less than two members (Class A or

Class B). The member, or the spouse, shall submit a written recommendation. An application for membership must

be signed by the applicant. The written recommendations shall be posted on the bulletin board at the Club for at least

seven days.

(b) The Board of Governors shall act upon candidates' properly prepared applications for membership, at any regular

meeting, or at any special meeting called for any purpose. In the alternative, when a regular or special meeting

cannot be expeditiously held, the Board of Governors may act upon candidates' properly prepared applications for

membership via electronic means. Such action either at a meeting or via electronic means shall be allowed prior to

the expiration of the seven-day posting period. All candidates for membership shall be confidentially voted upon by

the Board of Governors. Two negative votes shall exclude any candidate. Should any objections be received from the membership as a result of the posting, the Board of Governors may reconsider any vote taken prior to the expiration of the seven-day posting period. If any candidate shall not, within thirty (30) days after notice of the candidate's election shall have been sent to the candidate's post office address, signify acceptance and, in the instance of Class A membership the purchase of a share of stock of the Club or his/her intention to make such purchase forthwith, the candidacy shall be deemed to have been forfeited.

## Section 2: Classes of Membership

The membership of the Club consists of Class A or Class B membership.

## Section 3: Class A Membership

(a) Class A membership shall consist of not more than three hundred and fifteen persons.

(b) Only persons, twenty-one (21) or more years of age, may be elected to Class A membership.

(c) Each Class A member shall own one (1) share of common stock of the Club, and only a Class A member can

have any right, title or interest in or to the property or assets of the Club. Only Class A members, or their spouse,

shall be entitled to hold office.

(d) Class A members and their families, including unmarried children under the age of twenty-one

(21) living with the member, shall be entitled to the use of all club facilities. The use of all club facilities shall be

extended to a Class A member's, unmarried children under the age of twenty-five (25) enrolled full time in a college or

university or on active duty with the Armed Forces of the United States.

(e) The surviving spouse of a Class A member shall have the same privileges and obligations as any Class A

member, as long as said spouse shall retain the deceased member's share of stock.

#### Section 4: Class B Membership

(a) Class B Membership shall consist of the following categories:

(i) Non-Resident — available to persons who do not own or rent a residence in Saginaw County. Non-

Resident Membership is not available to any person that occupies a house or dwelling in Saginaw County,

regardless of the ownership status of the house or dwelling.

The Board of Governors may review the membership status of Non-Resident Members. The number of

members in this category shall be subject to the discretion of the Board of Governors.

Non-resident

members shall have the same privileges as Class A members as set forth in Article VIII, Section 3 (d).

(ii) Life Legacy - available to not more than 12 members who have contributed \$100,000 or more to the

125th Capital Campaign or Saginaw Country Club Legacy Fund. Life Legacy members have the same

privileges as Class A members as set forth in Article VIII. Section 3(d). The surviving spouse of a Life

Legacy member shall have the same privileges and obligations. On the first day of the month in which the

member reaches his or her 70th birthday dues will no longer be charged. Other fees will still be assessed. A

Life Legacy member shall have the use of all Club facilities but need not own common stock of the Club.

(iii) Senior - available to any member, or spouse, seventy (70) years of age and who has been an owner of

Common Stock of the Club for not less than thirty years prior to applying for Senior Membership. Senior

members shall have the same privileges as Class A members as set forth in Article VIII, Section 3 (d).

Senior membership will be limited to 35 members and when Senior membership falls below 35, the next to

qualify will be offered Senior membership. Senior members may not own common stock. Disposal of stock

will be in accordance with Article VII, Section 3 of the bylaws. Eligibility for Senior membership will be on the

first day of the month in which the member reaches his or her 70th birthday. Dues and assessments are to

be pro-rated on a monthly basis.

(iii) Single Senior — available to any unmarried member who: Is seventy (70) years of age AND

was an owner of Common Stock of the Club for not less than thirty years prior to applying for Single Senior

Membership OR is the widow, or widower, of a member who qualified as a Senior member described in

Section 4(a) (2).

Single Senior members shall have the same privileges as Class A members as set forth in Article VIII,

Section 3 (d). A Single Senior member may not own common stock.

Single Senior membership is limited to 5 and when Senior membership falls below 5, the next to qualify will

be offered a single senior membership.

(iv) Honorary - available to spouses of deceased former Presidents of the Club. Upon remarriage by the

surviving spouse, the Honorary membership shall terminate.

This class of membership is also available to any other past or present member who has rendered

outstanding service to the Club as approved by the Board of Governors. Upon the death of the honorary

member, all privileges associated with the membership shall terminate.

An honorary member shall have the use of all Club facilities, shall not be obligated for dues or assessments,

or minimum charges and need not own common stock of the Club.

(v) Junior Golf - available to single persons who have attained the age of twenty-one (21) years and who

have not yet attained the age of thirty-five (35).

This class of membership is also available to a married person who has attained the age twenty-one (21)

years and who has not yet attained the age of thirty-five (35). In determining the age of a married person,

the age of the oldest spouse (whether or not the oldest spouse is the applicant) shall prevail in determining

whether the married applicant is eligible for membership.

Dues and assessments will be pro-rated on a monthly basis. The number of members in this category shall

be subject to the discretion of the Board of Governors. Junior members shall have the same privileges as

Class A members as set forth in Article VIII, Section 3 (d).

(vi) Clergy - available to ordained ministers, priests and rabbis. Clergy members shall have the same

privileges as Class A members as set forth in Article VIII, Section 3 (d).

(vii) Family Recreational - available to the head of a family and shall include unmarried children under the

age of twenty-one (21) living with the member, and also shall include unmarried children under the age of

twenty-five (25) enrolled full time in a college or university or on active duty with the armed forces of the

United States. Limitation of family memberships shall be at the discretion of the Board of Governors. Family

members shall be entitled to the use of all Club facilities other than the golf course.

(viii) Single Recreational - available only to unmarried persons twenty-one (21) or more years of age. A

single social member shall have the use of all club facilities other than the golf course.

(ix) Junior Recreational - available to single persons who have attained the age of twenty-one (21) years

and who have not yet attained the age of thirty-five (35). Junior Social members shall be entitled to the use

of all Club facilities other than the golf course.

This class of membership is also available to a married person who has attained the age of twenty-one

years (21) and who has not yet attained the age of thirty-five (35). In determining the age of a married

person, the age of the oldest spouse (whether or not the oldest spouse is the applicant) shall prevail in

determining whether the married applicant is eligible for membership. Junior Family social members shall be

entitled to the use of all Club facilities other than the golf course.

Conversion to Class A or Family Recreational membership will be completed on the first day of the month in

which either the member, or the member's spouse, reaches their 35th birthday.

(x) Dining – available to any single or married person who is 21 years of age or older. In the case of a

married couple, only one spouse will be deemed to be the Member. Dining Members shall have the option

of extending the use and privileges of their membership to persons in their immediate family, as permitted by

these Bylaws and Club Rules. A Dining Member will be entitled to use all of the club's dining and banquet

facilities, may participate in any club social events and use any Clubhouse facilities and areas providing

these activities. Dining members shall not have the use of the golf course, swimming pool, tennis courts or

fitness facilities.

#### Section 5: Annual Dues, Special Assessments and Fees

The amount and manner of payment of annual dues and special assessments for each membership classification,

and all fees, shall be determined by the Board of Governors.

#### Section 6: Resignation

Members must, by mail or by electronic means, give written notice of their intent to resign from the club no fewer than

thirty (30) days prior to the member's desired resignation date.

### ARTICLE IX

#### Section 1: Indebtedness to the Club

(a) Members shall be issued a statement of indebtedness to the Club on a monthly basis dated as the last date of

the month the indebtedness occurred. All payments are due no later than the last day of the subsequent month.

(b) Should a member remain in arrears for any indebtedness past the due date, notice requiring immediate payment

and a copy of this section of the bylaws shall be mailed or emailed to said member with a warning that their credit and

usage of the club will be suspended in 15 day from the date the payment was due.

(c) Should a member remain in arrears for any indebtedness for more than fifteen (15) days past the due date, said

member's credit at the Club, as well as the member's use of the Club facilities, shall be suspended until such time as

the entire arrearage is paid in full. The member's name and the amount of the arrearage may also be posted at the

Club.

(d) In order to avoid an interruption in credit and usage of the Club, all members are encouraged to keep a valid

credit card on file with the Club that can be charged if the member is in arrears for any indebtedness more than 15

days past the due date. The member will also be responsible for any applicable credit card processing fees.

(e) Should a member remain in arrears for any indebtedness for thirty (30) days or more past the due date, the

member shall be the subject of an expulsion vote by the Board of Governors. If the vote to expel the member carries:

If such member is a Class A member, the Board of Governors also shall order the cancellation of his/her stock and no

transfer of said stock by the person in default shall be recognized as a valid transfer, unless the transferee shall

discharge the indebtedness. The stock certificate shall be issued in its place by the Club to anyone who may be

elected a Class A member of the Club and who shall subscribe for the stock.

(f) If a member is past due for fifteen (15) days or more on more than one occasion during any calendar year, the

member shall be subject of an expulsion vote by the Board of Governors. If the vote to expel the member carries, and

if the member is a Class A member, with respect to stock, the Board shall follow the procedures described in

paragraph (e) above.

## Section 2: Lien of the Club on Stock

The Club shall have a lien upon the stock of each Class A member for all the dues and indebtedness of such member

of the Club

## ARTICLE X

### Section 1: Fiscal Year

The fiscal year of the Club shall commence January 1 and terminate December 31 of each year.

## ARTICLE XI

### Section 1: Amendments

These Bylaws may be amended, added to or rescinded at any annual or special meeting of the members at which

there is a quorum present, by affirmative vote of sixty percent of the members voting, notice of the proposed

amendment, addition or rescission having been mailed to each member at least fifteen (15) days prior to such

meeting.

## ARTICLE XII – THE SAGINAW COUNTRY CLUB LEGACY FUND

### Section 1: Name

The name of the endowment fund shall be “The Saginaw Country Club Legacy Fund” and shall be referred to herein

as the “Legacy Fund.”

### Section 2: Purpose

It shall be the purpose of the Legacy Fund to provide a permanent endowment to provide financial assistance through

the expenditure of the prior year’s interest income as follows:

(a) For improvements, capital expenses, and special maintenance projects with respect to the organization's

building, real property, furnishings, fixtures and equipment; and

(b) For such other high priority purposes which are necessary for the successful operation of the Club, but only if

determined by specific affirmative vote of consent of eighty percent (80%) of the members of the Board of Governors

(currently eight out of nine members), acting in accordance with the Bylaws of the Club.

### Section 3: Nature of Legacy Fund.

The Legacy Fund shall be a permanent endowment fund categorized as a restricted asset of the Club. It is intended

that only the net income from the Legacy Fund will be available for expenditure annually unless otherwise directed by

specific affirmative vote of eighty percent (80%) of the members of the Board of Governors (currently eight out of nine

members) and eighty percent (80%) majority vote of all of the voting Members at the next Annual Meeting of the

Club, or at a special meeting called for the purpose of the vote on the invasion of principal. It shall not be mandatory

to spend all income from the Legacy Fund annually, and any unspent income in each fiscal year of the Club shall be

added to and become a part of the principal of the Legacy Fund.

The interest will not be spent until the board has accumulated a principal balance of two million dollars. If the fund

falls below this level, expenditures will be suspended until such a time as the figure is again exceeded.

The term "income" will include any increase in value of the Legacy Fund from year to year even if the income is not

"realized" income. For example, if the Legacy Fund owns stock purchased for \$100, and that stock is worth \$125 in

year two and remains unsold, the \$25 increase would be considered "income" added to principal in year three and

therefore a part of Legacy principal from there forward.

#### Section 4: Contributions.

The Legacy Fund may receive unrestricted contributions of cash or marketable securities. The Legacy Fund may also

receive unrestricted contributions of other properties, subject to the approval of the Board of Governors of the Club or

its designee.

#### Section 5: Legacy Fund Administration.

The administration of the Legacy Fund shall be carried out by or under the direction of the Board of Governors of the

Club under the Legacy Fund Committee, which shall meet at least annually to prepare a recommendation to the

Board of Governors regarding available funds. Such administration shall include the appropriate management and

investment of the assets of the Legacy Fund and may include the utilization of professional financial management

services. Such administration shall also include preparation of periodic financial statements with respect to the

Legacy Fund, including its current value and income available for expenditure. Such reports shall be provided to the

Board of Governors on at least a semiannual basis. The Legacy Fund shall be audited annually, including evaluation

of Legacy Fund holdings, as a part of the Club's annual audit.

Section 6: Distribution.

Expenditure of monies from the Legacy Fund shall be in such manner as may be specified by the Board of Governors

and its designees, for such purposes and activities as are consistent with the purpose and objectives of the Legacy

Fund and these Bylaws.

Section 7: Duration and Termination.

The Legacy Fund shall continue on a perpetual basis as long as its purposes continue to exist. In the event the Board

of Governors determines that the Legacy Fund should be discontinued, the Legacy Fund may be terminated by

specific affirmative vote of eighty percent (80%) of the members of the Board of Governors (currently eight out of nine

members) and a eighty percent (80%) majority vote of all of the voting Members at the next Annual Meeting of the

club, or at a special meeting called for the purpose of the vote on the termination. In such event, all remaining assets

within the Legacy Fund will be utilized for a purpose in keeping with the goals and objectives of the Club.

Section 8: Amendments to this Article

The terms and conditions of the operation of the Legacy Fund and/or the amendment of this Article XII may only be

amended by specific affirmative vote of eighty percent (80%) of the members of the Board of Governors (currently

eight out of nine members), acting in accordance with the Bylaws of the Club and eighty percent (80%) majority vote

of all of the voting Members at the next Annual Meeting of the Club, or at a special meeting called for the purpose of

the vote on an amendment, which would, if approved by this supermajority, allow modification, amendment, invasion

of principal, or termination of the Legacy Fund.