

## **OLD WILLOW CLUB**

### **By-Laws**

#### **ARTICLE I**

##### ***Name***

The name of the organization shall be Old Willow Club (the "Association") as provided in the Articles of Incorporation.

#### **ARTICLE II**

##### ***Object***

The purpose for which this Association is formed is to promote the health and general welfare of its members and in pursuance thereof to construct, own and operate a swimming pool, tennis courts, and other recreational facilities, together with such incidental objects as are appropriate in the conduct of its activity, in the Northfield Township, County of Cook, and State of Illinois, for the exclusive use of its members and their families.

#### **ARTICLE III**

##### ***Government***

Section 1: The Association shall be managed by a Board of Directors, eleven in number.

Section 2: Members and their spouses are eligible to become members of the Board of Directors. Directors shall be elected at the annual meeting of the Association. At the first meeting of the Association, three Directors shall be elected for three years, four Directors shall be elected for two years, and four Directors shall be elected for one year. Thereafter at each annual meeting of the Association, Directors shall be elected for a term of three years to succeed in the Directors whose terms are expiring as of the date of such annual meeting.

Section 3: Any Director who shall cease to be a member of the Association (or whose spouse shall cease to be a member, if the membership certificate is in the name of the spouse) shall automatically cease to be a Director, subject to the provisions of Article VI, Section 9; subparagraphs (c) and (d) thereof.

#### **ARTICLE IV**

##### ***Board of Directors***

Section 1: Consistent with these By-Laws, the Board of Directors shall:

(a) Transact all Association business and make, including without limitation, unsecured borrowings and contracts on behalf of the Association, and amend rules for the regulation of the use of Association property. It may appoint and remove officers, clerks, agents, servants or employees as it may deem necessary and may fix their duties and compensation. (b) Elect members residing within the boundaries listed in Section 1 of Article VI of these By-Laws and recommended by the Membership Committee. (c) Fix, impose and collect penalties for violations of these By-Laws and Rules of the Association. (d) Elect from the Board of Directors a President, Vice President, Secretary and a Treasurer, all of whom shall serve without compensation. (e) Approve committees appointed by the President and define the powers and duties of same. (f) Elect a Director to fill any vacancy on the Board of Directors who shall serve until the next annual meeting of the members.

Section 2: The Board of Directors shall designate the bank or banks in which the funds of the Association shall be deposited and determine the manner in which checks, drafts, and other instruments for the payment of funds of the Association shall be executed. In addition, the Board of Directors shall have authority to periodically invest and reinvest the funds of the Association in bank or savings and loan certificates of deposit, or money market instruments, U.S. Treasury bills, or money market mutual funds or money market unit trusts or in such other liquid investments as may be authorized by the Board of Directors in order to maximize the interest that can be earned on the excess Association funds over and above the working capital needs for the payment of accounts payable.

Section 3: The Board of Directors shall cause the books of the Association to be reviewed annually by the accountant selected by the Board, and the accountant's report shall be available to the members at all times.

Section 4:

(a) The Board of Directors shall meet at least once each calendar quarter and at such other times as it may deem necessary or desirable, provided that the first meeting of the newly instituted Board each year shall be held within sixty (60) days following the annual meeting of the Association. (b) A majority of the Directors holding office from time to time shall constitute a quorum for any such meeting. (c) Notice of a Board meeting shall be communicated to each Director at least (5) days before the date of such meeting.

Section 5: In the event a question before the Board results in a tie vote of the Directors and cannot be resolved, the question shall, at the request of not less than three (3) Directors, then be submitted to a vote of the members at a special meeting called for such purpose.

Section 6: Nothing in these By-Laws shall be construed to permit the Board of Directors to mortgage or pledge assets of the Association without the approval of two-thirds (2/3) of those regular members voting on the issue, voting in person or by proxy, at a meeting called for such purpose, provided that there was a quorum of Association members present at such meeting, as defined in Article VIII, Section 5 of these By-Laws.

Section 7: Any Director may be removed from office by a majority vote of the members present in person or by proxy at a meeting called for such purpose.

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**ARTICLE V**

***Officers***

Section 1: The officers of the Association shall consist of a President, Vice President, Secretary and a Treasurer. The President, Vice President, Secretary and Treasurer shall be elected annually by the Board of Directors from among its members and shall hold office until the end of the first meeting of the Board of Directors following the annual meeting of the Association.

Section 2: The President shall preside at the meetings of the Association of the Board of Directors. He/She shall be the administrative officer of the Association. He/She shall appoint, subject to confirmation by the Board of Directors, all standing committees, designating the Chairmen thereof, and all special committees as may be directed. He/She shall be, ex-officio, a member of all committees.

Section 3: The Vice President, in the absence or disability of the President, shall act in his/her stead. He/She shall be ex-officio, a member of all committees. In addition, the Vice President shall be responsible for the management of the Association personnel, including making of recommendations to the Board of Directors as to personnel changes, salaries, assignments and duties of personnel and the terms and conditions of personnel employment contracts. The Vice President shall furnish to the Treasurer the personnel budget within a reasonable time after the annual meeting of the Association.

Section 4: The Secretary shall send out notices of the meetings of the Association and of the Board of Directors, keep the minutes, maintain the list of members, and attend to the correspondence pertaining to his/her office. He/She shall perform such other duties pertaining to his/her office as may be asked of him/her by the Board of Directors.

Section 5: The Treasurer shall be chairman of the Finance Committee. He/She shall attend to keeping the accounts of the Association, collecting its revenues, and paying its

bills as approved by the Board of Directors or other agent authorized by the Board to incur them. He/She shall deposit funds of the Association received by him/her in the name of the Association in such depository or depositories as may be authorized by the Board. He/She shall perform such other duties pertaining to the office of Treasurer as may be asked of him by the Board. The Treasurer shall be responsible for carrying out the decisions of the Board of Directors made under Article IV, Section 2, supra, regarding the Investment of excess Association funds not needed for day to day working capital in instruments of investment therein described for the purpose of maximizing interest on such Association funds. The Treasurer shall be responsible for the management and overseeing of such investments and shall report on a regular basis the investment results. The Treasurer may delegate any of his/her duties to an agent or agents, to be supervised by the Treasurer. The ultimate responsibility for performance of the duties of the Treasurer shall rest with such officer, notwithstanding any such delegation of the actual performance of any of his/her duties. Such delegation, however, shall be with the express consent and understanding of the Board of Directors first given.

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## **ARTICLE VI**

### ***Members***

Section 1: Eligibility for membership in the Association shall be limited to persons residing in the State of Illinois.

Section 2: Membership shall be evidenced by a membership certificate issued pursuant to Article VII.

Section 3: As used in these By-Laws, the term "member" shall mean the person in whose name the membership certificate is issued and shall not include special, honorary or senior members.

Section 4:

(a) All members and all members (hereinafter designated) of the immediate family of a member shall be accorded the right to use the facilities of the Association subject to the Rules which shall be published in the annual Club booklet. Members of the immediate family of a member shall consist of the member's spouse and the member's never married children. Members of the immediate family over 21 may participate in the Adult

Team tennis programs upon the discretion of the tennis chairperson and appropriate team captains, and shall be subject to all league rules. (b) Employees of members shall be admitted to the Association premises while they are caring for members' children. (c) A person residing in a member's household, who is not a member of the member's immediate family, may use the facilities of the Association, subject to the Rules of the Association, under the following conditions:

i. Such member shall be responsible for and pay such fee, for use of the facilities

of the Association by such person, as may be determined by the Board of Directors.

ii. The privilege of such use shall be approved by the Board of Directors for a period to be determined by the Board.

iii. The period so approved by the Board of Directors shall extend no longer than the first Board meeting following the first annual meeting of the Association after the date of privilege issuance, unless previously canceled. iv. A single member of the Association may bring a guest to an event on the club social calendar without paying a guest fee; however, children of such a member's guest are subject to guest fee rules.

(d) The Board of Directors, at its discretion, may invite any person to be an honorary member of the Association for a period not exceeding one year subject to renewal by the Board of Directors for succeeding periods, each not in excess of one year. Honorary members shall be accorded the right to use the facilities of the Association, but shall not be entitled to vote at meetings of the Association. (e) The Board of Directors shall, by rule, fix the terms and conditions upon which guests of members may use the facilities of the Association.

#### Section 5:

(a) Any member may, for just cause and after having been given an opportunity for a hearing, be suspended for a period not exceeding three (3) months by a vote of two-thirds (2/3) of the Directors present at any meeting of the Board of Directors or be expelled by a vote of not less than three-fourths (3/4) of all the Directors. Cause for suspension or expulsion shall, in general, consist of violation of these By-Laws or of the rules of the Association or of conduct unbecoming a lady or gentleman. (b) The Board of Directors may delegate to the Chairman of the Pool Committee, or to a responsible employee of the Association, the power to suspend pool privileges for the violation of Association rules, provided such suspension does not exceed seven (7) days. A written report of such suspension, containing reasons therefore, shall be submitted to the President within twenty-four (24) hours from the time of such suspension.

Section 6:

(a) Any property of the Association broken, damaged or removed by a member or his/her guest shall be promptly paid for by such member. The amount of such liability, where questioned, shall be decided by the Board of Directors. (b) The Association assumes no responsibility for damage to or loss of personal property of members, their guests or other persons accorded the use of the facilities of the Association. No member, guest, or other person accorded the use of the facilities of the Association shall have any claim against the Association for damage to or loss of any property brought into or left in the Association buildings or on the grounds. (c) The Association shall not be responsible for any injury, damage or loss by a member or a member of his or her family on or off the club premises, while on the club grounds or while participating in any club activity even if such loss is caused in whole or in part by the acts or omissions of other members, staff or any other individual. (d) The Board of Directors is authorized to require all members and members' spouses, as a condition of membership, to sign a release in which the member assumes all responsibility and risk from the use of the premises and all facilities including the member's immediate family, holding the club, its agents, servants and employees, free and harmless for any damage to property, or injury, including death, to any person arising as a result of the use of the premises or any of its facilities. (e) The Board of Directors is further authorized to require members' guests or any other individual who uses club facilities to sign a similar release.

Section 7: The number of members other than special, honorary or senior members, shall not exceed two hundred (200).

Section 8:

(a) No member, member of a member's immediate family residing in his/her household or other person residing in his/her household may use the Association facilities while annual dues, assessments or other fees are delinquent, nor may they use the facilities as a guest of another member. (b) If a member's dues, assessments or other fees are delinquent for a period exceeding thirty (30) days, the Board of Directors may, at its discretion, terminate such membership and deduct such delinquent dues, assessments and other fees from the repurchase price to which such former member would be otherwise entitled upon termination pursuant to Section 9 of this Article.

Section 9:

(a) A member may request termination of his or her membership by notice in writing mailed or delivered to the current Membership Chair of the Association. In order to

expedite return of the member's subscription price upon termination of his or her membership and to provide the prospective New Member adequate notice well before the start of the season, membership terminations must be submitted in writing before January 31 of each year to avoid financial penalties (see Article VII, Section 4). The Board of Directors shall authorize the repurchase of the membership only if an acceptable membership application is available; provided however, that the Board may in its discretion, authorize the repurchase of the membership without admitting a replacement member if the total number of members other than special, honorary or senior members, shall remain no less than one hundred ninety (190) after making the resignation effective. If no acceptable membership application is available after a request for termination of membership, and the Board does not otherwise authorize the repurchase of the membership as provided for in the prior sentence, then the member who requested to resign, upon being notified of the lack of availability of an equity refund, shall notify the current Membership Chair of the Association in writing whether he or she chooses to:

- i. continue to be considered an active member while remaining on the resignation waiting list;
- ii. resume his active membership without remaining on the resignation waiting list;
- or iii. surrender the membership for no consideration, whereupon liability for future dues and assessments shall cease. (b) A resigning member is liable for all dues until such member's resignation is effective.

See Article VII, Section 4. (c) The repurchase price of a membership shall not exceed such member's original subscription price plus special assessments or the current subscription price, whichever is less. (d) In the event of the resignation of a senior member, the Board of Directors shall authorize the repurchase of the membership if an acceptable membership application is available at the time that the member becomes a senior member or if, at the time the senior member resigns from the club, there is a waiting list for membership into the club. (e) In either event, the repurchase shall only take place upon the resignation of the senior member from the club. (f) In the event of the death of a married member the membership shall be transferred to the surviving spouse. A widow member (who was not a widow when she first became a member unless she became a member pursuant to a transfer from her deceased husband under the preceding sentence) whose marriage terminated upon her husband's death, may, upon written application to the Board of Directors, become a special member and, until her remarriage, shall (i) be charged one half (1/2) of the regular annual dues, (ii) be liable for all assessments for capital improvements, and (iii) not be entitled to vote at meetings of the Association (except with respect to assessments for capital improvements). In the event of the death of an unmarried member, the membership shall be terminated as of the date of the member's death. The Board of Directors shall authorize the repurchase of the membership only if an acceptable membership application is available and upon receipt of new member's subscription price. If no acceptable membership application is available within (3) months after the date of death,

then the representative of the member's estate may surrender the membership for no consideration, whereupon liability for future dues and assessments shall cease. (g) A married member's membership may be transferred to his/her spouse upon the joint request of the member and his/her spouse, without additional payment therefore. In the event of divorce, the following rules shall govern:

- i. If a married member is divorced, upon the joint request of the member and his/her former spouse, the membership may be transferred to the former spouse who shall become a member without additional payment therefore. The member who has thus transferred his/her membership to his/her former spouse may, at any time within one year after the divorce, submit a new application for membership, which shall not require sponsors and shall have priority over all other pending applications, but which shall be subject to the regular membership subscription price and initiation fee.
- ii. If a married member is divorced and the membership has not been transferred to the former spouse pursuant to the preceding transfer provision, the former spouse may, at any time within one year after the divorce, submit a new application for membership, which shall not require sponsors and shall, upon Board approval, have priority over all other pending applications, but which shall be subject to the regular membership subscription price, but shall exclude initiation fees.
- iii. A membership cannot be transferred other than as set forth in this Section.

#### Section 10:

(a) After twenty (20) years of full membership and upon reaching his/her sixtieth (60<sup>th</sup>) birthday, a member can, at any time prior to the opening of the Club in any given year, make written application to the Board of Directors to become a Senior Member. Once a member has made this election and it has been approved by the Board of Directors, he/she cannot reapply for full membership. (b) A Senior Member shall (i) be charged one half (1/2) of the regular annual dues, (ii) not be liable for assessments for capital improvements, and (iii) not be entitled to vote at annual meetings or any other meetings of the Association. The total number of Senior Members shall not exceed forty-five (45).

#### Section 11:

(a) A person may make a written application to the Board of Directors to become a Tennis Associate Member. The Board of Directors shall determine whether to grant or renew a Tennis Associate Membership on a year-to-year basis. (b) A Tennis Associate Member shall (i) be charged an annual fee as determined by the Board of Directors, (ii) be allowed to use the tennis courts, participate in club tennis event and league tennis teams, (iii) not have any other rights of a Member (i.e., shall not be permitted use the

pool or grill area, except as a guest of a Member and upon payment of guest fees, shall not be entitled to bring guests to the club, and shall have no right to vote on any matters of the Association). (c) The total number of Tennis Associate Members shall not exceed ten (10).

## **ARTICLE VII**

### ***Subscription, Price, Dues, and Fees***

Section 1: The membership subscription shall be in an amount to be fixed from time to time by the Board of Directors. Upon payment of such subscription price a membership certificate of the Association shall be issued to a new member.

Section 2:

(a) Assessments for capital improvements may be levied from the members at the discretion of the Board of Director, provided that the aggregate amount of such assessment or assessments in any calendar year does not exceed one-twentieth (1/20) of the membership equity as set forth in the then current fiscal report of the Association. Any such proposed assessment shall not require approval of the members, but shall be submitted by the Board of Directors to the members for discussion at an annual meeting or a special meeting called for such purpose. (b) As assessment or assessments exceeding the limit set forth in (a) above may be levied by the Board of Directors only upon approval thereof by two-thirds (2/3) of those voting on the issue, voting in person or by proxy, at a meeting called for such purpose, provided that there was a quorum of Association members present at such meeting, as defined in Article VIII, Section 5 of these By-Laws. Furthermore, this section is not in derogation of Section 6 of Article IV of the By-Laws.

Section 3:

(a) New members may be charged an initiation fee at the discretion of and in an amount specified annually by resolution of the Board of Directors. Such initiation fee, however, shall not be applicable either to the divorced spouse of a prior member or to a former member who rejoins the Association. (b) A non-refundable application fee will be assessed at the time an application has been reviewed by the Board and applicant approved for entry on the waiting list. The amount of this non-refundable application fee will be established annually by the Board of Directors.

Section 4:

(a) The Board of Directors, after establishing the annual budget, shall establish dues for memberships for the ensuing year, provided that any dues increase shall not exceed 25% of the previous year's dues unless approved by two-thirds (2/3) of those voting on the issue, voting in person or by proxy, at a meeting called for such purpose, provided that there was a quorum of Association members present at such meeting, as defined in Article VIII, Section 5 of these By-Laws. (b) Dues shall be sufficient to provide for the necessary operating expenses of the Association and the proper maintenance and improvement of its property and to amortize the indebtedness of the Association. (c) Annual dues are payable in four equal installments due on February 1, March 1, April 1, and May 1. Any member owing part of his/her dues that are payable and outstanding after each due date shall be considered delinquent and shall be subject to the payment of a penalty on a member's overdue balance of \$25.00 per month. Charges other than dues, not paid within thirty (30) days from the billing date, shall be deemed delinquent and subject to such add on penalty charge of \$25.00 to the then outstanding balance due. (d) For resignations received on or before January 31, and made effective (*i.e.*, obtaining a new member) by June 1 of the same year fiscal year, any dues paid will be refunded in full in addition to the member's refundable equity assuming there is no outstanding balance owed the Club. See Article VI, Section 9(a). (e) For resignations received after January 31, and made effective (*i.e.*, obtaining a new member) by June 1 of the same fiscal year, the member's refundable equity shall be reduced by 100% of any dues owed or paid through the effective date of resignation, and any other balance owed to the Club. (f) From June 1 through Labor Day no refunds will be made to a resigning member. As of June 1 of a fiscal year, any member on the resignation waiting list whose resignation has not been made effective as of that date shall promptly elect either to:

- i. maintain active member status for the year pursuant to Article VI, Section 9(a)(i) or (ii), and pay all dues and assessments owed for the coming season; or
- ii. surrender the membership for no consideration pursuant to Article VI, Section 9(a)(iii)

(g) New members accepted during June will be charged 67% of a full season's dues. During July and August, new members will pay 33% of a full season's dues. (h) Requests for special arrangements of any kind must be presented in advance to the Treasurer. (i) Exceptions may be made at the sole discretion of the Board of Directors. (j) No dues or part thereof shall be refunded in the event that the use of any recreational facilities of the Association is required to be suspended. (k) Each year, a maximum of two (2) Wait List families who are children of existing members, provided the members have been members for five years and are members in good standing, will be offered the first two new regular membership positions for the upcoming season provided their application to membership has been submitted and accepted by the Board.

Section 5: Members shall be responsible for the payment of all charges of liabilities that

may be imposed upon or incurred by members of their family to whom the privileges of the Association shall have been extended, and for all charges and liabilities imposed upon or incurred by guests introduced by them.

Section 6: All fees and other charges mentioned herein and hereafter are exclusive of taxes, if any, imposed by federal, state, and other governmental bodies and agencies.

## **ARTICLE VIII**

### ***Meetings of the Association***

#### Section 1:

(a) The annual meeting of the Association shall be held between October 1 and December 15 of each year at such place and time as the Board of Directors may determine, and shall be conducted according to Robert's Rules of Order, Revised.

(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 set forth in the notice of such meeting.

Section 2: Special meetings of the Association may be called by the Board of Directors. Also upon written request of ten (10) members to the Secretary, stating the purpose therefore, a special meeting shall be called by the Secretary within thirty (30) days after the date of such request.

#### Section 3:

(a) Notice of the annual meeting shall be given by mail to the members at least ten (10) days prior thereto. The notice of the annual meeting shall include the names of the candidates for Directors nominated by the Nominating Committee. Additional independent nominations of candidates may be made from the floor. (b) Special meetings of the Association may be held on at least ten (10) days' notice by mail to all members. The notice shall state the purpose or purposes for which a special meeting is called, and no other business shall be transacted at such meeting.

Section 4: Only members in good standing shall be entitled to vote at meetings of the Association. Any member not able to attend in person may be represented by a proxy signed by such member. Voting may be by way of voice, but ten (10) members, including those represented by proxy, shall have the right to demand voting by roll call or ballot.

Section 5: Fifty percent (50%) of the entire membership, present in person or by proxy, shall be required to constitute a quorum at any Association meeting.

Section 6: Whenever in these By-Laws notice to members is required, the mailing of such notice to the last known address of the members shall constitute notice.

Section 7: Except as stated in Article IV, Section 6, a vote of at least two-thirds (2/3) of those voting in person or by proxy at any annual or special meeting of the members of the Association called voting in favor of any issue shall be sufficient to adopt any proposal put before such a meeting, provided a quorum is present, as defined in Article VIII, Section 5.

## **ARTICLE IX**

### ***Nominating Committee***

Section 1: There shall be a Nominating Committee consisting of five (5) members. Three (3) members of the Nominating Committee shall be selected by the President from the membership at large, to serve until the next succeeding annual meeting of the Association, and two (2) shall be elected by the Board of Directors from among the Directors whose terms shall not expire at the next succeeding annual meeting. A vacancy occurring among the three (3) members of the Nominating Committee chosen by the President shall be filled by the President and a vacancy occurring among the two (2) chosen by the Directors shall be filled by the Board of Directors.

Section 2: The Nominating Committee shall nominate candidates to replace those Directors whose terms are expiring at the next succeeding annual meeting and shall report such nominations to the Board of Directors prior to the annual meeting.

## **ARTICLE X**

### ***Committees***

Section 1:

(a) The standing committees shall be Membership, Building and Grounds, Social, Finance, Pool, Tennis, Communications, and Snack Bar. (b) The Board of Directors shall have the right to establish such other committees as it may deem necessary or desirable from time to time.

Section 2: The Membership Committee shall review the applications of persons seeking

membership and make its recommendations with respect to such applications to the Board of Directors. This committee will also be responsible for presentations to the Board of Directors of proposed amendments to the By-Laws.

Section 3: The Building and Grounds Committee shall exercise supervision over all areas other than the pool and tennis courts, shall supervise construction and improvements in assigned areas and shall attend to maintenance of the buildings, operating equipment and grounds.

Section 4: The Social Committee shall be responsible for planning and arranging the social functions of the Association. The Social Committee shall endeavor to make each social function self-supporting, and shall, if at all possible, collect social function fees in advance of each such event, shall keep accurate records of the budgeted cost of each social function, the actual receipts and expenditures for each social function, and the profit or loss, if any, from each such social function, and shall report to the Board of Directors on a regular basis regarding any of the social functions planned and the results thereof. In the event of a loss or deficit from any social function, the general funds of the Association shall be used to underwrite such social function. Any funds received by the Social Committee shall be deposited with the Association's general funds.

Section 5: The Finance Committee shall prepare the annual budget for submission to and approval by the Board of Directors, and shall exercise general supervision over the financial transactions of the Association.

Section 6: The Pool Committee shall exercise supervision over the pool, shall attend to the maintenance of the pool and shall see that the rules and regulations of the Association are enforced. The Pool Committee shall make recommendations to the Board regarding the swimming pool rules and the swimming coach, and shall supervise the instructional program and competitive meets.

Section 7: The Tennis Committee shall be responsible for the construction, maintenance and operation of the tennis facilities. They shall make recommendations to the Board regarding the tennis rules and the tennis professional(s), and shall supervise the instructional program, team play, non-team play, club tournaments and the operations of any pro shop on the Association grounds. In addition, the Tennis Committee and /or the Tennis Pro shall be responsible for the Thursday night (or other designated night) mixed doubles tennis. The Board of Directors shall fix by rule the terms and conditions upon which members and their guests may use the tennis facilities of the Association.

Section 8: The Communications Committee shall be responsible for publication of a Newsletter and all club communications and distribution thereof to the Association

members. Once a year the Communications Committee shall prepare, publish and distribute to the Association membership a current directory listing the names and positions of the officers and Directors of the Association, Committee memberships, private party procedures, tennis rules, swimming rules, new member procedures, an alphabetical listing of the members including honorary members, as well as such other information as the Board may from time to time decide to include in such directory.

Section 9: The Snack Bar Committee is responsible for the operation of the Snack Bar.

## **ARTICLE XI**

### ***Indemnification***

Section 1: The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association), by reason of the fact that he/she is or was a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonable incurred by or imposed on him/her in connection with such action, suit or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which is reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

Section 2: The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he/she is or was a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association, against expenses (including attorneys' fees) actually and reasonably incurred by him/her in connection with the defense or settlement of such action or suit if he/she acted in good faith and in manner he/she reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his/her duty to the Association.

Section 3: To the extent that a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2, or in defense of any claim, issue or matter therein, he/she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him/her in connection therewith.

Section 4: Any indemnification under Section 1 and 2 shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the member of the Board of Directors or the officer or the member of such committee is proper in the circumstances because he/she has met the applicable standards of conduct set forth in Sections 1 and 2. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of those Directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in written opinion, or (3) by a majority of the members of the Association.

Section 5: Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the member of the Board of Directors or the officer or the member of such committee to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by the Association as authorized in the Article XI.

Section 6: The indemnification provided by this Article XI shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his/her official capacity and as to action in another capacity while holding such office, shall continue as to a person who has ceased to be a member of the Board of Directors or an officer or a member of such committee, and shall inure to the benefit of the heirs, executors and administrators of such a person.

## **ARTICLE XII**

### ***Miscellaneous***

Section 1: Any question as to the meaning or proper interpretation of any of the provisions of these By-Laws shall be determined by the Board of Directors.

Section 2: These By-Laws may be amended only upon approval by vote of two-thirds

(2/3) of those members voting by person or by proxy at a meeting called for such purpose, provided a quorum is present, as defined in Article VIII, Section 5.

Section 3: All rules regarding the operation of the facilities of the Association shall conform to all applicable governmental safety and health requirements.

Approved as revised December 19, 2021.