

# WASHINGTON YACHT AND COUNTRY CLUB, INC. BY - LAWS

## ARTICLE ONE – GENERAL

### Section 1 – 01 CORPORATE NAME

The name of this corporation shall be Washington Yacht and Country Club, Inc. As used in these by-laws the terms “Corporation”, “Club” and “WYCC” shall be deemed to be interchangeable except where a distinction is made for technical or legal reasons and is so noted.

### Section 1 – 02 PURPOSE

The purpose of this Club is the promotion of social and recreational activities for use by Club members and their guests including, but not limited to, boating, golf, swimming, tennis and dining/banquet facilities. The Corporation does not contemplate a pecuniary gain or profit, incidental or otherwise, to its members.

### Section 1 – 03 DURATION

The Corporation shall be of perpetual duration.

### Section 1 – 04 ORGANIZATION

The Corporation is organized as a non-profit corporation under the provisions of Chapter 55A, General Statutes of North Carolina. All rights of ownership in and to the Corporation and its assets shall be vested in the stockholders. Stock in the Corporation may not be held in the name of a corporation, partnership or other business entity.

### Section 1 – 05 PRINCIPAL PLACE OF BUSINESS

The main office of the Club and the principal place of business for the Club’s activities shall be at 7155 River Road, Washington, North Carolina. The Club may use such other locations for meetings or the conduct of the Club’s affairs as the Board of Directors may from time to time decide; however the social and recreational activities provided for the use of the members shall not be removed from the main office location as described above unless such change of location is approved by at least one more vote than fifty percent (50%) of the members entitled to vote, in person or by proxy, at a General Meeting held to consider a change of location.

### Section 1 – 06 FISCAL & ACCOUNTING YEAR

The fiscal and accounting year for the Corporation shall be from April 1<sup>st</sup> through March 31<sup>st</sup>. The accounting records and annual financial statements shall be reviewed by a certified public accounting firm, selected by the Board of Directors, prior to presentation to the stockholders.

### Section 1 – 07 GENDER & SIGNIFICANT OTHERS

As used in these by-laws the masculine shall include the feminine unless otherwise indicated and the term spouse shall include both legally married individuals and significant others of either sex.

### Section 1 – 08 CONDITIONS

Membership in Washington Yacht & Country Club shall not be restricted to exclude individuals on the basis of sex, race, creed, religion or national origin.

## **ARTICLE TWO – MEMBERSHIP**

### **Section 2 – 01 CHARTER MEMBERS**

Charter members of WYCC are those persons whose date of membership was effective on or prior to December 31<sup>st</sup> 1949. Charter members are exempt from monthly dues but are subject to the Club's minimum dining room purchase rule as set by the Board of Directors.

### **Section 2 – 02 ENROLLMENT**

All other membership shall be by invitation only; such invitations shall be signed and submitted by two existing members who are in good standing and current in settlement of accounts due. The Membership committee shall receive all invitations, conduct any investigation they deem necessary and make recommendations to the Board for action. Applicants who were previously members of WYCC are required to pay any amounts due to the Club which were unsettled at the date their original membership discontinued. Individuals admitted to membership are subject to terms as prescribed by the Board of Directors which include but are not restricted to purchasing one share of stock from the Corporation, payment of the current initiation fee and acceptance that monthly dues and fees for services used shall be paid in full within 30 days of the billing date. Membership shall be in one name only which shall be the name of the approved applicant. A spouse of a member must own a share of stock in the Corporation to vote on affairs of the Corporation and/or to be eligible for election to the Board of Directors.

### **Section 2 – 03 SERIES I STOCK**

The Certificate of Incorporation of Washington Yacht and Country Club Inc dated May 17<sup>th</sup> 1949 authorized the issue of one thousand shares of Common Stock at a par value of \$100 each. Effective October 1<sup>st</sup> 1984 the outstanding shares were classified as Series I stock and issuance was discontinued. The owners of Series I stock who are not Charter members as defined in Article 2, Section 2 – 01 and do not qualify as members of WYCC due to resignation or non-payment of monthly dues have no voting rights and are not permitted to utilize the Club facilities, other than as a duly authorized guest, nor attend, in person or by proxy, any meeting of the stockholders. The shares held by such non-members shall be classified Series I non-voting stock within Stockholders Equity and will be redeemed at any time by the Corporation upon presentation of the original stock certificate or, if it cannot be traced, a legally acceptable signed statement from the individual, or his duly appointed executor, notifying that the certificate is not traceable. Charter members and other holders of Series I stock who are members in good standing are entitled to use all of the Club's facilities and to attend and vote at, in person or by proxy, all stockholder meetings of the Corporation.

### **Section 2 – 04 SERIES II STOCK**

The Corporation authorized the issue of an additional one thousand shares of Common Stock at a par value of \$100 on October 1<sup>st</sup> 1984 to be classified as Series II stock. All members, except Social members, who joined WYCC on or after October 1<sup>st</sup> 1984 are required to hold one share of Series II stock which entitles the owner to attend and vote at, in person or by proxy, all stockholder meetings of the Corporation. Holders of Series II stock are required to surrender their stock certificate upon leaving the Club either voluntarily or at the direction of the Board at which time the par value of \$100 will be credited to their final account statement. The par value of Series II stock held by former members who have not returned their certificate(s) for redemption will be transferred to Series II non-voting stock within Stockholders Equity. Former members, or their legally appointed executors, holding Series II stock will be refunded the par value upon presentation of the original stock certificate or, if it cannot be traced, a legally acceptable signed statement notifying that the certificate is not traceable.

Charter membership is described in Section 2 – 01. The other membership categories are as follows:

A) Regular membership

A regular member is entitled to the full privileges and use of all the facilities of WYCC. The spouse of a regular member and children of a regular member, who are under twenty one years of age, are entitled to the full privileges and use of all facilities of WYCC except that persons under twenty one years of age are prohibited from partaking of alcoholic beverages anywhere on Club property including on boats moored or anchored in the area encompassed by the WYCC docks. The member is responsible for all charges for services obtained at the Club by his spouse and / or children who are under twenty one years of age. Children of a regular member shall continue to enjoy full privileges and use of all facilities of WYCC until they reach the age of twenty five provided (1) they are full-time students at a recognized place of education and (2) they are considered for Federal Income Tax purposes as dependents of either or both of their respective parents. The member is fully responsible for all charges for services obtained at the Club by the full-time student until their 25<sup>th</sup> birthday.

B) Senior membership

Members having attained the age of seventy two, who have been members continuously for a period of ten years, will be allowed a reduction of 15% on the current monthly dues including any future increases in such dues. This reduction becomes effective upon a written request to, and approval by, the Board of Directors. The senior membership reduction on monthly dues is increased to 25% if (or when) the member is (or becomes) a widow or widower; however if the member subsequently re-marries the reduction reverts to 15%.

C) Junior membership

Children of a Regular member who attain the age of twenty one years and are not full-time students as defined in Section 2-04(A) are required to obtain a Junior membership if they wish to use the facilities of the Club. Full time students reaching the age of twenty five years are required to obtain a Junior membership if they wish to use the facilities of the Club. The application for Junior membership must be submitted to the Board of Directors together with payment for a share of stock and the amount of the initiation fee due at that time as established by the Board. A Junior member shall pay dues at 75% of the Regular member rate until they reach the age of thirty years when they automatically become Regular members subject to full membership dues. The Junior membership is terminated if the Regular member parent ceases to be a member of WYCC but there is automatic transfer to Regular membership if the Junior member wishes.

D) Special membership

Divorced spouses of current members are entitled to apply for Special membership within 90 days of their divorce being legally finalized. The requirements of sponsorship and the initiation fee are waived but they are required to purchase a share of stock if they do not own one and they shall pay all other dues, fees and assessments at the Regular member rate. In the event a divorced spouse re-marries the Special membership is terminated and the share of stock must be surrendered for cancellation. Former Special members, or their spouse, are eligible to apply for Regular membership in accordance with the then existing requirements.

E) Social membership

Washington Yacht and Country Club Inc no longer offers Social memberships but Social members at the date of discontinuance were permitted to retain their membership at the applicable reduced rate. Social members are not required to hold stock in Washington Yacht and Country Club Inc.

## F) Corporate Membership

A Corporation may apply for a WYCC Corporate Membership by making application and paying a one-time \$1,000.00 initiation fee, which upon approval is non-refundable. The Corporation will be called a Corporate Member. The Corporate Member is assigned an account number for corporate changes only.

The Corporate Membership is in name only but allows the Corporation a charge account for corporate functions and to designate up to five Corporate Associate Members to apply for regular membership. Each approved designated member will be called a Corporate Associate Member and is a member at the pleasure and will of their Corporation. A designated Corporate Associate must follow the new-member application process including purchasing one share of WYCC stock. Upon approval, the Corporate Associate Member will be entitled to full regular membership privileges and be responsible for their dues, minimums, and other charges.

- Corporate benefits:
  - Provide a quality, low cost executive perquisite of a WYCC membership for up to five designated corporate associates.
  - Provide access to private corporate luncheons, corporate dinners, corporate business meetings and corporate golf outings, with direct billing thru an approved corporate account. Note: Corporate related charges are not billed or credited to any of the five designated corporate associate's membership accounts.
- Designated Corporate Associates:
  - Corporation/business is entitled to designate up to five corporate associates for a full WYCC membership. A membership for additional corporate associates above the five designated slots is subject to discussion and consideration.
  - The full membership initiation fee is waived for the five designated corporate associates.
  - The designated corporate associates will be required to purchase a share of WYCC stock for \$100, which is refundable for terminating members in good standing.
  - Each designated Corporate Associate must make application to WYCC. Upon approval and the purchase of one share of WYCC stock, they will receive full membership status. They will be responsible for their monthly membership dues, dining room minimum, and other charges. The dining room minimum may not be applied to a corporate sponsored event or dinner.
  - Should a designated Corporate Associate be terminated or transferred, the Corporate Member may designate another Corporate Associate to make application for the vacated corporate slot. Upon approval, the new Corporate Associate would be required to purchase a share of WYCC stock and responsible for their monthly membership dues, minimums, and charges.

## Section 2 – 06 INITIATION FEES, MONTHLY DUES & ASSESSMENTS

Initiation fees for new members and monthly dues for all members, except Charter members, shall be assessed at the rates determined from time to time by the Board of Directors. The Board is authorized to establish these rates at different levels for each class of membership described in Section 2 – 05 Membership Categories. The Board may impose other assessments on all classes of membership as may be necessary to meet the financial requirements of the Club which exceed funds available from regular operations.

Section 2 – 07 PAYMENT OF DUES AND FOR SERVICES

Monthly dues, other fees and amounts due for services obtained by members or their dependents will be charged to the member's account and monthly statements will be mailed to each member immediately following the end of each calendar month. Cash payments are not permitted except for gratuities to staff and payment for snacks and beverages in the Pro-shop. Guests of members are permitted to pay for services received by Credit Card (those accepted by WYCC) or, with the member's agreement by charge to his account. Amounts due as recorded on the monthly statement are to be paid prior to the end of the month in which the statement was mailed. Any member who is sixty days past due in settling amounts due WYCC shall be notified that all rights to use the Club facilities are automatically suspended and will not be re-instated except on payment of all delinquencies and the amount of fees, dues and assessments charged individually to members between the date of suspension and the date of re-instatement. Suspension for delinquent fees and dues constitutes a leave of absence. Suspension of any member more than one time in a consecutive period of 12 months shall be cause for revocation of membership at the discretion of the Board of Directors.

Section 2 – 08 LEAVE OF ABSENCE

All leaves of absence must be approved by the Board of Directors and do not become effective until the month following the date of approval. A member is only entitled to one leave of absence in a consecutive five year period; suspension for delinquent dues constitutes a leave of absence as noted in Section 2-07. Leaves of absence will only be granted in cases of medically certified extreme disability which prevents the member from using Club facilities and/or where the member is moving to a location that is more than 200 miles from the borders of Beaufort County, NC. A leave of absence shall be for a period of not less than one year nor more than three years during which time the member shall not be permitted to use any of the facilities of WYCC except that a member granted leave for temporary re-location may attend the Club as the guest of a member upon payment of the applicable guest fees.

Section 2 – 09 RESIGNATION

Any member may resign from membership at any time by giving notice to the Board of Directors in writing, provided all dues and accounts are paid for the current period. Such resignations shall be effective on the last day of the month in which the resignation is received. The resigning member shall immediately surrender their stock certificate and the surrender value of \$100 (one hundred dollars) will be credited to their account and any balance due at the end of the month must be paid prior to the end of the following month. Provided these conditions are satisfied the resigning member is given a six month period in which he may withdraw his resignation and be re-instated when he purchases a share of stock and pays the amount of fees, dues and assessments charged individually to members between the dates of resignation and withdrawal thereof.

**ARTICLE THREE – STOCKHOLDERS**

Section 3 -- 01 STOCK ISSUANCE

Stockholders of the Corporation shall be entitled to a certificate issued in numerical order from the Stock Certificate book for each share recorded in their name on the books of record of the Corporation. Each certificate shall be numbered, bear the signature of the President, the signature of the Secretary and the Seal of the Corporation

Section 3 – 02 STOCK TRANSFERS

Shares of stock in the Corporation cannot be transferred from the owner to another individual. Stockholders who cease to be members and decide, or are required under the Bylaws, to surrender their stock must return the certificate, or a legally acceptable statement of ownership, to the Corporation for cancellation and refund of the par value.

### Section 3 – 03 VOTING RIGHTS

Stockholders who are members of the Club in good standing are to exercise one vote for each share of stock held in their name as recorded on the Stock record books of the Corporation. Holders of Series I and Series II non-voting stock are not permitted to exercise voting rights or attend any stockholders meetings.

### Section 3 – 04 FIXING DATE OF RECORD

The Board of Directors shall fix a record date not more than thirty (30) days and not less than ten (10) days prior to a duly called meeting of stockholders to establish the members entitled to notice of, or to vote at, such meeting. The total number of shares held by all of the qualifying voting members shall be determined at that time. In the event the meeting is changed or adjourned to a later date the stockholders of record shall be unchanged for a period not to exceed fifteen (15) days.

### Section 3 – 05 PROXIES

Stockholders are permitted to appoint a proxy to represent them and exercise their voting right at a stockholders meeting. The proxy form distributed with the notice of a stockholders meeting must be signed and completed by the member and delivered to the Secretary of the Corporation not later than 12 noon on the day of the meeting. The proxy form shall allow the member to vote on any or all items called for a vote at the meeting or permit his duly appointed proxy to exercise the vote on any or all items in the manner determined by the proxy holder. The vote for new members of the Board of Directors generally permits choice of three names from a list of candidates but if a member chooses to select less than three his choices will be included in the count and his proxy is not entitled to add any additional names. In the event a member does not choose, or delegate, a voting preference on a particular item it will be assumed he has abstained.

### Section 3 – 06 QUORUM

The holders of twenty five percent (25%) of the outstanding shares of the Corporation entitled to vote as of the record date, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. If a quorum is not available the meeting shall be adjourned to another time not later than fifteen (15) days later.

### Section 3 – 07 ANNUAL MEETING

The regular annual meeting of the Corporation shall be held no later than June 15<sup>th</sup> of each year; the day and time shall be set by the Board of Directors. The purpose of the annual meeting is to elect members to the Board of Directors and to transact such other business as may be properly brought up for consideration by the stockholding members or the Board of Directors. Written notice of the meeting, documents supporting items subject to a vote and a blank proxy form shall be mailed to each stockholding member no less than ten (10) days prior to the date of the meeting. Financial reports, reviewed as required in Section 1 – 06 Fiscal and Accounting Year, shall be available at the Club office not less than ten (10) days prior to the date of the meeting.

### Section 3 – 08 SPECIAL MEETINGS

A special meeting of the stockholders may be called at any time pursuant to a resolution by the Board of Directors or a call for such meeting signed by twenty five percent (25%) of the holders of the outstanding common stock of the Corporation as shown by the stock records not more than sixty (60) days prior to the proposed meeting date. Notice of such Special meeting shall be mailed to each stockholder entitled to vote, in person or by proxy, not less than ten (10) days prior to the date of the meeting.

Section 3 – 09 RESERVED POWERS

The following powers are reserved exclusively to the stockholders of the Club who are members in good standing:

- A) power to amend the Charter of the Club.
- B) right to sell and transfer Club-owned real estate other than the right to borrow against the real estate
- C) right to amend that portion of the Bylaws pertaining to meetings of stockholders.

Section 3 – 10 CORPORATE DISSOLUTION

As stated in Section 1 – 03 Washington Yacht and Country Club Inc was incorporated to be of perpetual duration however a majority of voting stockholders can approve a resolution of dissolution of the Corporation. Such resolution shall specify, but not be restricted to, the following:

- A) Applications for membership shall be suspended on the date the proposal for dissolution is first introduced by the Board of Directors or the stockholders.
- B) The total face value of stock certificates held by members, including non-voting stock, to be distributed to the stockholders shall not exceed the total Stockholders Equity as reported in the Financial report reviewed by the duly appointed certified public accountant at the end of the financial year immediately preceding the date of the stockholder approved resolution to dissolve the Corporation.
- C) All stockholders, including non-voting stockholders, shall be repaid the par value of \$100 for each share of stock registered in their name. In the event the net proceeds of dissolution are insufficient to redeem stock at par value a lower redemption price will be applied equally to each share of stock . In the event non-voting stockholders cannot be traced the value of their shares of stock shall be distributed as specified by the State of North Carolina for unclaimed private property.

Section 3 – 10 CORPORATE DISSOLUTION CONTINUED:

- D) In the event the net proceeds of dissolution exceed the amount required to redeem the issued stock but are equal to, or less than, the amount distributable to stockholders as fixed in compliance with Section 3 – 10 B , such amount will be distributed to the stockholders who are members in good standing as of the date of dissolution of the Corporation. The amount available for distribution shall be divided by the cumulative total of years of membership of all the members entitled to share in the funds available to determine the amount for a member year and such amount will be paid to each participating member for each of the years he was a member of WYCC.
- E) Any funds remaining after the distributions as established by Section 3 – 10 C and D shall be distributed to not for profit organizations engaged in the provision of golf, tennis, swimming or yachting activities. A majority of the stockholders who participated in the distribution under Section 3 – 10 D shall decide the organization(s) to benefit from such distribution and the amount(s) to be paid to each beneficiary.

## **ARTICLE FOUR – DIRECTORS**

### **Section 4 – 01           NUMBER, TENURE & QUALIFICATION**

The corporation shall have nine (9) directors. Each director shall be elected for a period of three years with the term of office commencing immediately following the stockholders' meeting at which the director is elected. Directors must be stockholders of the corporation, they must be charter, regular or senior members over the age of thirty (30) as defined in Sections 2 – 01 and 2 – 05 A and B and they must have been a member of the Washington Yacht & Country Club for a minimum of three (3) years. A director is entitled to seek re-election at the completion of a three year term or such shorter period if he was appointed to replace a director who left office between successive stockholder meetings. A director who has served two (2) consecutive three year terms is not eligible to seek re-election within a period of six (6) years.

### **Section 4 – 02           QUORUM AT ALL MEETINGS**

The required quorum at meetings of the directors shall be six (6) members. In the event a quorum is not present the business on the agenda can be discussed by those directors in attendance.

### **Section 4 – 03           DIRECTOR ATTENDANCE**

A director who fails to attend seventy five percent (75%) of the Board meetings in any consecutive twelve (12) month period may be dismissed from office by a majority vote at a regular meeting of the Board.

### **Section 4 – 04           NOMINATING PROCEDURES**

The President of WYCC shall appoint a Nominating committee consisting of one outgoing board member as chairman and two other stockholders. The appointments shall be made at the first board meeting of the calendar year and must be approved by the Board at that meeting. The nominating committee shall submit a list of at least three (3) qualifying candidates to the President not later than March 1<sup>st</sup>. The names of approved candidates shall be placed on the Club bulletin board not later than March 15<sup>th</sup> and shall be mailed to each stockholder with the monthly billing for March. Any qualifying member who was not selected by the Nominating committee will be added to the nominating list provided a petition nominating the candidate, signed by at least twenty five (25) members eligible to vote, is presented to the Nominating committee not later than April 15<sup>th</sup>. The names of all candidates, together with their written statements of objectives/experience, will be mailed to voting members with the notice of the Annual meeting.

### **Section 4 – 05           ELECTION**

The President shall appoint a special committee of not less than two persons (one of whom may be an employee of WYCC) to ensure that proxies received are eligible and validly completed; the committee shall count the eligible votes for each candidate and furnish the totals to the President. The three candidates receiving the greatest number of votes at a duly called annual meeting of the stockholders at which a quorum has been established shall be elected to the Board of Directors for a three year term. A stockholder is entitled to vote for not more than three (3) candidates; in the event a stockholder chooses to vote for less than three candidates his proxy is not entitled to vote for additional candidates unless specifically so authorized.

Section 4 – 06            VACANCIES

In the event a director resigns or becomes unable to fulfill the duties of the office then the position will be filled by a majority vote of the remaining directors even if it is less than a quorum. The nominees from the most recent stockholders' election shall be invited to fill the vacancy(ies) in descending order of the votes received at the Annual Meeting. In the event the vacancy(ies) are not filled by these members, the Board of Directors shall choose a member(s) who is qualified as defined in Section 4 – 01. The appointee(s) will serve until the next stockholders annual meeting.

Section 4 – 07            AUTHORITY

All corporate power of Washington Yacht and Country Club Inc. shall be exercised by, or under the authority of, the Board of Directors. The business and affairs of Washington Yacht and Country Inc shall be managed by the Board of Directors who shall have the power, by a majority vote (except as noted) at a meeting where a quorum is present to act as follows :--

- A) make and amend rules and regulations for the conduct of the members and the operation of the activities of the Club.
- B) make and amend rules and regulations for the admission of visitors to the premises and facilities of the Club.
- C) prescribe penalties for the violation of the rules and regulations, and to waive or remit such penalties.
- D) receive and redress complaints.
- E) provide for the financing of the Club activities and the proper handling of the funds of the Club.
- F) elect the officers of the Club.
- G) fill any vacancy on the Board of Directors or the slate of officers in the event of the resignation or death of such director or officer; vacancies filled by a director shall be until the next stockholders' annual meeting.
- H) engage, discharge and supervise such employees as are necessary for efficient operation of the properties of the Club.
- I) authorize the officers to make and execute contracts, notes and deeds of trust or other necessary documents in order to provide for the proper operation, maintenance or expansion of the Club provided such action is approved by at least six (6) directors.

Section 4 – 07            AUTHORITY CONTINUED:

- J) authorize the officers to acquire property, both real and personal, by purchase, exchange, gift or otherwise and to mortgage, sell or otherwise dispose of the personal property of the Club provided such action is approved by at least six (6) directors; authority to dispose of real property of the Club must be approved by more than fifty percent (50%) of the members entitled to vote at a stockholders' meeting as defined in Section 3 – 03.
- K) elect, suspend and expel members pursuant in the Bylaws.
- L) undertake such other acts and exercise such powers not inconsistent with the charter of the corporation and these bylaws as may be deemed proper in promoting the general welfare of the Club.

Section 4 – 08            CHANGES TO BYLAWS

Amendments to the Bylaws of the Washington Yacht and Country Club Inc shall be proposed by the Board of Directors or by means of a petition signed by not less than one hundred and fifty (150) members who are entitled to vote, in person or by proxy, at a meeting called in compliance with the provisions of Section 3-07 Annual meeting or Section 3-08 Special meetings. Any such proposal shall be presented at the Annual meeting or a duly called Special meeting and must be approved by a majority of the members present, in person or by proxy, who are entitled to vote in accordance with the Bylaws.

**ARTICLE FIVE – OFFICERS**

Section 5 – 01            ELECTION OF OFFICERS

The Board of Directors, immediately following the Annual Meeting of stockholders, shall meet and elect a President, Vice President, Secretary and Treasurer. The positions of Secretary and Treasurer may be combined and held by one person who does not have to be a stockholder. All officers except the Secretary and Treasurer must be stockholders and be a Director or eligible for nomination as a director as provided in Article Four, Section 4 – 01

Section 5 – 02            DUTIES OF THE PRESIDENT

The President shall preside at all meetings of stockholders and shall sign all certificates of stock and, in conjunction with the Secretary or Treasurer, all bills, notes and contracts of the Corporation. The President shall, at each annual meeting of the stockholders, submit a complete report of the operation of the Club and the Corporation for the preceding fiscal year together with a statement of the Corporation's financial status as determined by the duly appointed certified accounting firm. The President, with the concurrence of the Board of Directors, shall have the power to employ and discharge any and all employees of the Corporation and to set their compensation. The President shall be an ex-officio member of all standing committees of the Board of Directors.

Section 5 – 03            DUTIES OF THE VICE PRESIDENT

The Vice President shall, in the absence or disability of the President, possess all the powers and perform all the duties of that office.

Section 5 – 04            DUTIES OF THE SECRETARY

The Secretary shall keep full minutes of all meetings of stockholders and directors, notify stockholders and directors of the place, date and time of their meetings, have charge of and keep the seal of the Corporation and affix the same to stock certificates and such other instruments as may be required. The Secretary shall keep a stock certificate book and sign, with the President, all contracts and other instruments when authorized to do so by the directors.

Section 5 – 05            DUTIES OF THE TREASURER

The Treasurer shall have custody of and be responsible for all monies and securities of the Club. The Treasurer shall cause to be collected, held and disbursed, under the direction of the Board of Directors, all monies of the Club and be charged with the duty of collection of all monies due the Club from members thereof as well as all other sources; keep or cause to be kept regular books of accounts and submit a statement of the accounts at the monthly meetings of the Board of Directors. The records shall be open at all times to the inspection of the Board of Directors or any accountant duly authorized by the board to review the same. The Treasurer may give bond in such amount as the Board of Directors may prescribe.

## **ARTICLE SIX – MANAGEMENT**

### Section 6 – 01            GENERAL MANAGER

The Board of Directors may employ a general manager as chief operating officer of the Club who will be responsible for the management of all aspects of the Club's activities and relationships. In the absence of a general manager the Board of Directors may otherwise delegate this authority to such employees as they may decide. The duties assigned to the general manager shall be established by the Board of Directors and set out in a position description which shall be signed by the general manager to acknowledge acceptance of and responsibility for the specified duties.

### Section 6 – 02            LINE OF REPORT

The general manager, or other designated person(s), shall report to the President and conduct the business of the Club in accordance with and subject to the by-laws and all rules and regulations approved by the Board of Directors. The general manager shall present a report of operations at each monthly meeting of the board.

### Section 6 – 03            EMPLOYMENT OF RELATIVES

No department head or supervisor may be a close relative of another department head or supervisor. "Close Relative" means parents, brother, sister, spouse, children, nephew, niece, aunt, uncle or first cousins, either in-law or by blood. No person who is related by blood or marriage to a representative of the WYCC may be employed by the WYCC unless the relationship has been disclosed to and approved by WYCC's Board of Directors.

## **ARTICLE SEVEN – COMMITTEES**

### Section 7 – 01            APPOINTMENTS

The President shall appoint the committee Chairmen, with the concurrence of the Board of Directors, for all standing committees and any special committees which may be required as determined by the Board of Directors. Committee Chairmen must meet the requirements for election to the Board of Directors as specified in Article Four, Section 4 – 01. Each Chairman shall appoint the necessary committee members from the Club membership – appointees do not have to be stockholders but must be members in good standing. The President shall be an ex-officio member of all the standing committees.

### Section 7 – 02            STANDING COMMITTEES

The standing committees of the Club shall be as follows :--  
Membership, Policy and Bylaws, Finance and Budget. Long Range Planning, Golf Course, House and Grounds, Pool and Tennis, Yachting and Docks.

### Section 7 – 03            TERM OF OPERATION

The committees shall operate from the date of appointment until such time as their successors are appointed or their tenure is extended or shortened by the President with the concurrence of the Board of Directors. Notwithstanding other provisions of these bylaws, all committees shall report to and act only pursuant to authority granted by the Board of Directors.

Section 7 – 04 COMMITTEE DUTIES

All committees shall at all times be under the direct supervision and control of the Board of Directors and shall provide the director responsible for their field of operation with a monthly report of any meetings, developments, requirements or other factors affecting matters handled by their committee. No committee has the right to obligate the Club for any sum in excess of the specific amount budgeted for such committee's use during the current financial year without prior express approval of the Board of Directors. The specific duties of each standing committee are as set out in the Policy and Procedures manual of the Club.

Section 7 – 05 MEMBERSHIP COMMITTEE

The Membership committee shall consist of the chairman and four (4) members whose names shall be known only to the committee members and the President. The committee is responsible for the review of requests for membership in the Club, changes in membership category, requests for leave of absence and recommending action to be taken when a member is delinquent in settlement of funds due to the Club or is found to have acted in a manner not consistent with the Club's rules of conduct. Recommendations to the board by the committee must be approved by a majority of the members except for applications for new membership which must be approved by four (4) members of the committee. The committee shall meet as necessary to consider requests received or other matters requiring action by the committee.

Section 7 – 06 POLICY & BYLAWS COMMITTEE

The committee shall consist of the chairman and five (5) members not less than three (3) of whom shall be current members of the Board of Directors. The committee is responsible for all policy matters that are not specifically and solely the responsibility of a given standing committee, documentation of and amendments to, the bylaws, documentation of and amendments to, the policy and procedures manual and documentation of Club rules and regulations established by other standing committees. The committee shall meet as needed but not less frequently than twice per year.

Section 7 – 07 FINANCE & BUDGET COMMITTEE

The committee shall consist of the chairman and two (2) members. The committee is responsible for all Club financial, accounting, budget and financial control functions acting as a staff for the Board of Directors in financial planning. The annual budget and any changes thereto must be approved by the Board but the committee has authority to take emergency action when any standing committee deviates from approved plans and budget until the Board of Directors shall have an opportunity to meet and approve, modify, or rescind such action. The committee shall meet as needed to satisfy its responsibilities to the Board.

Section 7 – 08 LONG RANGE PLANNING COMMITTEE

The committee shall consist of the chairman and two (2) members. The committee is responsible for the long range future of the Club relating to all of its functions including the clubhouse, golf course, swimming area, tennis courts, docks and yachting facilities, maintenance sheds, drainage systems, irrigation systems and mechanical equipment. It shall develop plans for a rolling five year period including evaluation of need, acquisition and financing. The committee shall meet as needed to satisfy its responsibilities to the Board

Section 7 – 09            GOLF COURSE COMMITTEE

The committee shall consist of the chairman and three (3) members. Ex-officio members shall be the Course Superintendent, Golf Professional, Ladies Golf Association President, Senior Golf Association President and Men's Tournament Committee Chairman. The committee is responsible for the maintenance and upkeep of the golf course, pro shop, maintenance areas, rest areas, carts and cart houses as well as establishment of rules and regulations for their use by members and their guests. The committee shall meet on a monthly basis or more frequently if circumstances make it necessary.

Section 7 – 10            HOUSE & GROUNDS COMMITTEE

The committee shall consist of a Chairman and Vice Chairman, both who shall be Directors, and a maximum of six (6) members. The Dining Room and Chef/Kitchen managers or food service department heads or management may be ex-officio members of the committee. The committee is responsible for the management and operation of the clubhouse, dining room, kitchen and all grounds (except the golf course and docks) including establishment of rules and regulations for the use of these facilities. The committee shall meet not less frequently than monthly.

Section 7 – 11            POOL & TENNIS COMMITTEE

The committee shall consist of the chairman and two (2) members. The docks superintendent shall be an ex-officio member. The committee is responsible for the maintenance of the swimming pool and tennis courts, for ensuring State regulations applicable to the pool are observed and for the establishment of rules and regulations for their use by members and guests. The committee shall meet not less frequently than monthly when the pool is open for use and at other times as necessary.

Section 7 – 12            YACHTING & DOCKS COMMITTEE

The committee shall consist of the chairman and three (3) members. The docks superintendent and the Commodore of the Washington Yacht Squadron shall be ex-officio members. The committee is responsible for the maintenance of the docks, piers, boathouses, gazebo and bathroom facilities and the establishment of rules and regulations for their use. The committee shall meet on a monthly basis or more frequently if necessary.

**ARTICLE EIGHT – INDEMNIFICATION**

Section 8 – 01            INDEMNIFICATION

Any person who at any time serves or has served as a director, officer, employee or agent of the corporation, or in such capacity at the request of the corporation for any other corporation, partnership, joint venture, trust or other enterprise, shall have a right to be indemnified by the corporation to the fullest extent permitted by law against:

- A) reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the corporation, seeking to hold him liable by reason of the fact he is or was acting in such capacity.
- B) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty or settlement for which he may become liable in any such action, suit or proceeding.

Section 8 – 02            PAYMENT OF INDEMNIFICATION

The Board of Directors of the corporation shall take all such action as may be necessary and appropriate to authorize the corporation to pay the indemnification required by this Bylaw, including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him and giving notice to and obtaining approval by the stockholders of the corporation.

Section 8 – 03            NON – EXCLUSIVITY

Any person who at any time after the adoption of this Bylaw serves or has served in any of the aforesaid capacities for or on behalf of the corporation shall be deemed to be doing or have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Bylaw.

Section 8 – 04            MODIFICATION

No amendment or repeal of any provision of this Article shall alter to the detriment of any director, officer, employee or agent of Washington Yacht and Country Club the right to indemnification provided by this Article with respect to any acts or omissions which took place prior to such amendment or repeal.

Revised by the Board of Directors June 2010