

## **ARTICLE I NAME, ADDRESS AND SEAL**

Section 1.1 Name. The name of the Club is “Oahu Country Club” (herein the “Club”) and its address is 150 Country Club Road, Nuuanu Valley, Honolulu, Hawaii 96817.

Section 1.2 Seal. The Club shall have a corporate seal, consisting of a circle bearing on its circumference the words “OAHU COUNTRY CLUB, HONOLULU” and in the center the words “Incorporated June 8.A.D.1906”. Its precise form may be determined by the Board from time to time.

## **ARTICLE II MEMBERSHIPS**

Section 2.1 Eligible Persons. The Board may elect and invite to membership any person of good moral character age 21 and over who meets the qualifications set forth in these By-Laws or established by the Board from time to time.

Section 2.2 Classes of Memberships. The Club currently offers the following classes of membership: Regular, Non-Resident, Intermediate, Recreation, Dining, International, and Surviving Spouse. Within these classes, there shall be subcategories of memberships as approved by the Board from time to time.

Section 2.3 Other Classes and Categories. If the maximum number of Members for the Regular class has been reached or exceeded, the Board may establish a Limited Regular Membership class whose Members shall have temporary and limited use privileges pending their transfer to the Regular class as vacancies occur. The Board may also from time to time establish additional categories of membership and extend Club privileges to such Members. The privileges and responsibilities, terms and conditions, fees, dues, and other charges shall be established by the Board from time to time and be set forth in the Club Rules and in membership agreements with such Members.

Section 2.4 “Members” Definition. As used in these By-Laws, the term “Member” shall mean Members of all classes, unless a specific class is designated.

## ARTICLE III REGULAR MEMBERSHIP

Section 3.1 Composition of Regular Members. The Regular Membership of the Club shall be limited to persons who qualify and are elected and admitted to Regular Membership. All Regular Memberships shall be deemed to have been acquired and shall be held only under the conditions, restrictions, limitations and provisions of these By-Laws, as such By-Laws may be amended from time to time, and any Membership Agreement between the Club and a given Member. Regular Membership shall confer no vested or other rights except those specifically conferred or provided in the By-Laws.

Section 3.2 Regular Members. Regular Members shall have all privileges available in the Club. Only Regular Members shall have full golfing privileges. Only Regular Members shall be deemed “members” of the corporation as provided in Hawaii state statutes.

Section 3.3 Intermediate Members. Intermediate Memberships are Memberships that are offered in subcategories by age group with dues and joining fees established by the Board from time to time. Intermediate Members generally have all Regular Member use privileges [NAC1] except as limited below or in the Club Rules from time to time. Once an Intermediate Member reaches the age of 45 the member is automatically converted to a Regular Member. Intermediate Members each have one-half vote per membership. [NAC2]

Section 3.4 Maximum Number. The number of Regular Memberships in the Club shall be limited to six hundred (600) (“**Regular Cap**”), which number shall not include former Regular Members who have transferred to Social Membership but does include Intermediate Members. The Board may fix the maximum number of Regular Memberships at any given time below the Regular Cap to prevent overcrowding on the golf course during heavy play periods. The Board may from time to time change the number of maximum allowable members per class of membership giving due recognition to the capacity of the facilities to accommodate all classes of members. If the Board establishes a Limited Regular class of membership with limited golf privileges, the Board shall set a maximum limitation for this class not to exceed twenty percent (20%) of the then-existing maximum limitation for Regular Memberships.

## ARTICLE IV SOCIAL AND OTHER MEMBERSHIPS

Section 4.1 Social Members. After (insert date of by-laws restatement approved by voting membership), 2025, the Social membership class will be closed and no longer available. Any existing Social Member will remain with the rights and privileges afforded him. However, if any existing Social Member transfers to another class of membership, re-entry into the Social Membership class will no longer be available.

Section 4.2 Super Senior Membership. The Board may from time to time in its discretion cause the Club to issue a Super Senior category of membership to Members who shall generally have the privileges of Regular Members, except that the golfing privileges of Super Senior Members may be limited as determined by the Board from time to time. In addition to such other limitations as the Board may provide, a Super Senior Member must be at least 65 years of age and the combination of the Member's age plus continuous years of membership must equal or exceed 100 to apply for this category. All applications to convert to Super Senior must be approved by the Board in its discretion, and the Board may limit the number of Super Senior Memberships available at any given time. The Board may provide that a Regular Member who becomes a Super Senior Member must surrender his or her Transferable Certificate evidencing Regular Membership. [NAC3]The Board also may provide that the dues and other charges for Super Senior Members may be different from Regular Members. A Super Senior Member may convert back to Regular Membership or Recreation Membership as provided below, but subject to requirements or restrictions established by the Board from time to time.

#### Section 4.3 Recreation, Dining and Other Categories of Membership

Recreation and Dining Members shall not have the right to vote, right to be a member of the corporation, or right to serve as directors or officers. The maximum number of Recreation, Dining or other classes of membership shall be established from time to time by the Board, giving due recognition to the capacity of the house facilities to accommodate all classes of Members. All other classes of Members shall have such limited privileges as shall be specified by the Board from time to time not inconsistent with the By-Laws.

### **ARTICLE V TRANSFERABLE CERTIFICATES**

The Club previously issued Transferable Certificates for memberships. The Club no longer offers Transferable Certificates. After a Member holding a

Transferable Certificate resigns from the Club, he will receive a refund as and when described in Article VI. No Membership Certificate shall be pledged, assigned, or hypothecated as security or collateral to any loan or agreement whatsoever by any Member, and no such certificate shall be subject to any creditor rights by way of any suit, judgment, garnishment, lien, attachment, execution, bankruptcy or divorce proceedings or any other legal process; and the Board shall have the right to take whatever action it deems necessary or advisable to enforce these provisions. [NAC4]

## **ARTICLE VI MEMBERSHIP RESIGNATIONS AND REFUNDS**

Section 6.1 Refunds. Only Regular and Social Transferable Memberships (holding Transferable Certificates) shall be entitled to a partial refund of their initiation fee. All other classes of membership shall be non-transferable, non-refundable, and shall terminate upon resignation, death or expulsion of the holder thereof. The refund due for Transferable Certificates shall be in the amounts set forth in Article XIX of these By-Laws. The Club may offset against such refund any of such Member's unpaid obligations to the Club

Section 6.2 Termination of Rights and Privileges of the Club, and Surrender of Certificate. In the case of the death, resignation or expulsion of a Member holding a Transferable Certificate, the rights and privileges incidental to such membership shall terminate on the Member's termination date. The terminating Member's Transferable Certificate shall be redeemed by the Club as provided herein.

Section 6.3 Order of Priority. Transferable Certificates shall be refunded in order of their date of surrender.

## **ARTICLE VII TRANSFER OF MEMBERS FROM ONE CLASS TO ANOTHER**

Section 7.1 Transfer from Regular to Other Classes of Membership. Any Regular Member in good standing may at any time apply to become a Recreation, Dining, or other category of membership for which he or she qualifies, subject to the approval of the Board. Regular Members who became Social Members before \_\_\_\_\_ 2025, retained certain privileges previously held as a Regular Member, but did not retain golfing privileges, and no such transferring Member is entitled to any refund of initiation fees previously paid. From and after

\_\_\_\_\_, 2025, any Regular Member who converts to a Recreation, Dining and other status of Membership for which he or she qualifies except for Super Senior status shall forfeit all rights and privileges of Regular Membership [NAC5] and thereafter have all privileges and obligations of the Membership class to which he or she is transferring. A Regular Member can no longer transfer to Social Membership after \_\_\_\_\_ 2025. [NAC6]

Section 7.2 Transfers to a Regular Membership. If a Social Member is a former Regular Member and elects to transfer back to a Regular Membership, the Member may apply to do so without additional payment of initiation fees, or being placed on the Regular class waiting list. Such transfer requires Board approval, which may be given or withheld in its sole discretion.

A Social Member other than a former Regular Member, and Members of other classes of membership, may apply to transfer to a Regular Membership if such Member meets the qualifications established by the By-Laws and the Board, pays the difference in initiation fees at the time of transfer, is approved by the Membership Committee, and is so elected by the Board. If no vacancy exists in the Regular class, the transferring Member shall be placed on the Regular class waiting list in a manner prescribed by the Board.

Section 7.3 Other Transfers to Recreation or Dining Membership. Members other than Regular Members may apply to transfer to a Recreation or Dining Membership subject to payment of the difference in initiation fees if higher and election by the Board, without regard to the then existing limitation on Recreation or Dining Membership, if any such Members transferring to a Recreation or Dining Membership shall have only the privileges of a Recreation or Dining Member and shall not be entitled to any refund.

#### Section 7.4 Other Transfers

. Any other transfers between classes of membership not specifically addressed in these By-Laws shall be governed by policy established by the Board from time to time, but subject always to Board approval.

Section 7.5 Transfer to and from Non-Residency Status. In the event that a Member changes permanent residence to a location other than on Oahu, such Member may apply to transfer to a Non-Resident Membership category subject to payment of such dues, fees and charges set by the Board from time to time. It is inconsistent with a Non-Resident Membership for a person to engage in substantial and regular usage of the Club facilities. What constitutes “substantial

and regular usage” shall be determined by the Board. The Board may require a Non-Resident Member to pay Resident Membership dues and/or suspend the Nonresident Member if Club usage is inconsistent with the spirit of this limitation. The decision of the Board shall be conclusive as to whether a particular Non-Resident Member must pay Resident Membership dues. It is the Non-Resident Member’s duty to notify the Club Secretary in writing of any change of residence, employment, or any other matter affecting his or her status or his or her spouse’s status, or his obligation to apply for Resident Membership and pay the appropriate fees and dues. Failure of the Non-Resident Member to notify the Club of such change may result in formal disciplinary action. In the event that the Non-Resident Member resumes permanent residence on Oahu and wishes to retain membership in the Club, the Member must request transfer back to his prior category of membership or apply for a resident category of membership, whereupon the Member shall be readmitted to membership as a resident of Oahu.

## **ARTICLE VIII ADMISSION TO MEMBERSHIP**

Section 8.1 Membership Committee. There shall be a Membership Committee appointed by the President with the approval of the Board, whose duty it shall be to investigate and report to the Board upon candidates for membership in the Club.

Section 8.2 Sponsors. A candidate for membership may be sponsored by any two Members of the Club. In the event that a Board member sponsors an individual for membership, that sponsoring Board member must recuse himself from voting on that candidate.

Section 8.3 Review of Candidate and Protest Procedure. The Membership Committee shall investigate the candidate and, if satisfied as to the candidate’s desirability and eligibility as a Member, shall post on the Bulletin Board and the Members-only website the name of the candidate and such other data as the Board considers pertinent. After posting, any Member may protest in writing to the Secretary, or to a member of the Board, or to a member of the Membership Committee, against the admission of the candidate stating the reasons therefor. The name of the protestant shall not be recorded or divulged except to the Board. After posting for a minimum of three weeks, any protests received will be reviewed by the Membership Committee. Any protestant shall hold himself ready

to disclose in confidence to the Committee or Board any further facts or any data relating to the objection.

Section 8.4 Election. The name or names of candidates recommended for membership by the Membership Committee shall be submitted to the Board. Board members shall vote on each candidate by secret ballot. The affirmative vote of at least seven Board members shall be required to elect a candidate and two dissenting votes shall prevent such election. All proceedings upon elections shall be secret and confidential.

Section 8.5 Requirements for Membership. A candidate who has been elected to membership by the Board shall be notified by the President or Secretary. Such election shall be contingent on the following: (a) payment of the requisite initiation fee; (b) payment of dues for the month in which the membership is issued; and (c) signing such joining documents as the Board may require.

Section 8.6 Failure to Qualify. A newly elected Member shall be given thirty (30) days to complete the joining requirements above. If such Member fails to qualify within said period the election to membership shall be voided, unless the period to qualify has been extended by the Board.

Section 8.7 Waiting List. A waiting list for membership in any class of membership in which the maximum limitation has been reached or exceeded shall be administered in a manner prescribed by the Board, not inconsistent with these By-Laws.

## **ARTICLE IX RESIGNATION AND MEMBER DISCIPLINE**

Section 9.1 Resignations Effective Only on Acceptance. A Member may at any time tender his or her resignation of membership in writing on a form provided by the Club, delivered to the Secretary, but no resignation shall become effective until it shall be accepted by the Board. The Board may refuse to accept a resignation until the full payment of all of the Member's indebtedness to the Club has been made.

### Section 9.2 Discipline of Members

(a) General. Any Member, or any family member, invitee or guest of such Member, whose conduct violates the Club's By-Laws or Rules or is deemed

by the Board to be improper or likely to endanger the welfare, safety, harmony or good reputation of the Club, its Members or its staff, may be reprimanded, fined, suspended or expelled from the Club by action of the Board. The Board shall be the sole judge of what constitutes improper conduct or conduct likely to endanger the welfare, safety, harmony or good reputation of the Club, its Members or its staff. When a Member's conduct is such as may, in the Board's opinion, be satisfied by an apology or reparation (including a fine), the Board may require the Member to make such an apology or reparation and fix a time for performance. Failure to comply with the direction of the Board shall be sufficient grounds for suspension or expulsion.

(b) Board Action. Except for automatic suspensions related to delinquent financial obligations to the Club, a Member shall be notified in writing of any proposed disciplinary action and shall be given an opportunity to be heard by the Board to show cause why such Member should not be disciplined, suspended or expelled in accordance with this Article at least fifteen (15) calendar days prior to the effective date of such discipline. If the Member desires to be heard, the Member must provide a written request for a hearing to the Board within five (5) calendar days after the Club's written notice to the Member of its proposed action. Upon the Board's receipt of the written request for a hearing, the Board of Directors shall set a time and date not less than five (5) business days thereafter for such hearing. The Board may, alternatively, set a hearing date in the notice to the Member of the proposed disciplinary action. While such complaint is being considered by the Board, the Member shall enjoy all privileges of the Club to which the Member was entitled prior to such complaint, unless the Board determines, in its sole discretion, that the use of such privileges would be improper or likely to endanger the welfare, safety, harmony or good reputation of the Club, its Members or its staff.

(c) Suspension. A Member may be suspended by a majority vote of all the Directors present and qualified to vote at any regular or special meeting of the Board. The period of suspension shall be as determined by the Board. A Member who has been suspended shall forfeit all rights and privileges of membership until the period of suspension has expired and all indebtedness owed to the Club has been paid. A Member's obligation to pay monthly dues, assessments, mini-charges and other charges shall continue during the period of suspension.

(d) Expulsion. A Member may be expelled by a two-thirds vote of the entire Board in office. If a Member under consideration for expulsion is a Director, the Member shall not vote or participate as a Director in the



consideration of the charges as hereinafter provided or be counted as a Director then in office.

At the Board meeting to consider whether the Member may be expelled, the Member may appear in person and/or may file written statements. After the hearing, the Board shall privately consider the charges and evidence and render a decision, a copy of which shall be furnished to the Member. Only Board members who were present during consideration of the testimony at the hearing, either in person or by telephone, shall be entitled to vote. The action of the Board shall be final, conclusive, and binding on the Club and the Member. A Member who has been expelled as provided herein shall forfeit all rights and privileges of membership, except as otherwise provided in these By-Laws.

(e) Suspension for Delinquency. Notwithstanding the foregoing, Members who are delinquent in their financial obligations to the Club may be summarily and immediately suspended by the Board without a hearing. The Club deems the Member's billing statement to the Member as notice of his obligations and these By-Laws as notice of a proposed discipline if he fails to fulfill his financial obligations.

Section 9.3 Rights Terminated. Except as expressly provided herein, if any Member shall die, resign or be expelled from the Club, such Member shall thereupon cease to have any interest or share in the property and assets of the corporation, if such Member has any, and such death, resignation or expulsion shall operate as a release and assignment to the corporation of all the rights, title and interest of such Member in and to the Member's membership and the property, assets and privileges of the Club.

## **ARTICLE X DUES, FEES, ASSESSMENTS AND CHARGES**

Section 10.1 Amounts Fixed by the Board. The amounts to be paid for initiation fees and dues shall be fixed by the Board from time to time; provided that any increase in dues shall not take effect until at least thirty (30) days after notice thereof shall have been given to the Members. Dues shall commence on the first day of the month in which a Member is admitted. The Board shall also from time to time fix charges for green fees, cart rentals, mini-charges, club storage and cleaning, locker rental, private parties, guest cards or other fees and charges as the Board shall determine from time to time. At no time shall the dues

of a Social Member exceed eighty percent (80%) of the dues of a Regular Member.

Section 10.2 When Payable. Monthly dues shall be payable in advance plus the amount of any tax thereon, if any. Any other indebtedness incurred, or fines imposed, or assessments levied during any month shall be due and payable on the monthly billing date. The Board shall have power to fix the maximum amount of indebtedness which a Member may incur, and to change such amount from time to time.

Section 10.3 Statements of Account. The Club, within seven (7) days after the closing day of the billing period, shall cause to be sent to each Member a statement of the Member's indebtedness to the Club. If such indebtedness shall not be paid within one (1) month following such billing date, a delinquent finance charge (as determined from time to time by the Board) shall be charged. If such indebtedness shall not be paid within two (2) months of such billing date, the name of the delinquent Member and the amount of the unpaid account shall be posted on the Club's Bulletin Board and the Member's use and charging privileges will be summarily suspended for so long as such delinquency continues.

Section 10.4 Suspension or Cancellation; Reinstatement. Any Member who is delinquent in his or her financial obligations to the Club as described above may be summarily and immediately suspended by the Board without a hearing. The Member's billing statements and these By-Laws are deemed notice of the Member's obligations and notice of a proposed disciplinary action if the Member fails to fulfill the Member's financial obligations to the Club.

Section 10.5 Assessments. The Board may levy assessments upon all Members up to but not exceeding a dollar amount equal to two times the Member's current monthly dues in any one calendar year to meet any of the Club's debts or obligations. The assessment shall be paid in such manner as the Board shall determine.

Section 10.6 Fines and Penalties. The Board may impose a fine or penalty, not to exceed three times the monthly dues of a Regular Member, upon any Member or person enjoying the Club privileges for any infraction of any By-Laws or Rule or Policy of the Club. If not paid when due, the person in default may be subject to further action by the Board.

Section 10.7 Half Rate Dues During Prolonged Illness. The protracted illness of any Member in good standing may at the discretion of the Board warrant the remission of one-half the regular dues of such Member with waiver of mini-charges during such illness. The Board shall adopt a policy from time to time governing such concessions.

Section 10.8 Reinstatement. The Board may reinstate a former Member who resigned in good standing, consistent with the Club's reinstatement policy adopted by the Board from time to time, which may include as a requirement that the Member pay any assessment from date of resignation to date of reinstatement, and in all cases will be subject to approval of reinstatement and its terms by the Board.

## **ARTICLE XI EXTENSION OF CLUB PRIVILEGES TO FAMILY MEMBERS AND GUESTS**

Section 11.1 Spouse and Eligible Children. The Member's spouse and children under age 23 who are unmarried and living at home or full-time students or military ("Family") shall generally be entitled to the Member's use privileges, subject to the Club's Rules and to such limitations as the Board may establish from time to time. The Board may from time to time adopt policies to allow an unmarried Member to apply periodically for permission to appoint an unrelated, unmarried domestic partner as his or her Designated Partner. A Designated Partner will generally have the use privileges of a spouse, subject to all limitations established by the Board from time to time. The Member shall be responsible for all indebtedness incurred by such privileged persons. [NAC7]

Section 11.2 Guests of Members. A guest of a Member or his Family is permitted to use Club facilities subject to the Rules governing guests. The use of Club facilities unaccompanied by a Member or his Family is limited to the issuance of a non-transferable guest card. A Member may sponsor a guest card for a non-resident of Oahu for ten (10) consecutive days and such guest shall be subject to charges and surcharges as the Board may require and shall be subject to all applicable Rules. The Member for whom a guest card is issued shall be liable for all indebtedness incurred by the guest. A Member and his family collectively may not sponsor more than two guest cards at any one time.

Section 11.3 Former Members. Former Club members may be eligible to use the Club Facilities as a guest of another member. However, any former Club

member who has an unpaid Club account balance, was expelled from membership in the Club, or was not in good standing with the Club when his or her membership was terminated, shall not be allowed to come on the Club property or to use the Club Facilities for any reason.

## **ARTICLE XII BOARD OF DIRECTORS**

Section 12.1 Board of Directors. There shall be a Board of Directors (“**Board**”) composed of nine (9) elected Members (“Directors”). The elected members of the Board shall be Regular Members. [NAC8] Only the nine elected Directors shall be voting members of the Board. A Director shall serve until his successor shall be elected or appointed as herein provided.

Section 12.2 Ex-Officio Directors. Up to four (4) additional Members may be appointed by the Board to serve the Board in an ex-officio capacity as hereinafter provided.

Section 12.3 Directors are the Governing Body. Except only as otherwise provided in the Charter or By-Laws, all of the corporate powers and government of the Club shall be vested in the Board.

Section 12.4 Limit on Successive Terms. No Director shall serve consecutively on the Board for more than two full terms.

Section 12.5 Rotation. At each Annual Meeting, three Directors shall be elected as herein provided to take the places of the three who will then retire upon the expiration of their terms in office. All Directors elected shall be elected to serve three years and until their successors shall be duly elected.

Section 12.6 Filling of Vacancies. Should a vacancy occur in the office of a Director whose term has six months or more remaining, the remaining members of the Board by majority vote shall appoint a Regular Member of the Club to fill the vacancy to serve for the unexpired term so vacated.

Section 12.7 Powers of Board of Directors. In furtherance of the general powers of the Board, and in addition to all powers in them vested or implied by any other provision of these By-Laws or by applicable law, the Board shall have the power:

(a) To appoint, control, and prescribe the duties of and at their pleasure remove (without cause) any officers, the appointed Members who serve the Board ex-officio, the Club's auditor, managerial staff, other employees, agents and representatives and to allow such compensation, not inconsistent with these By-Laws, for their services as the Board shall deem proper.

(b) To prescribe the duties of any officer consistent with these By-Laws.

(c) To appoint committees as these By-Laws may authorize, and as the Board shall deem necessary, to carry on the Club's activities or the conduct of its business or affairs, and to determine their jurisdiction, duties and powers, provided that all committees shall be subject at all times to the control of the Board and shall be subject to change at the pleasure of the Board.

(d) To make and enforce written rules ("**Club Rules**") and policies ("**Policies**") not inconsistent with these By-Laws regulating: (1) the operation, finances, affairs and conduct of the Club and its facilities; (2) the qualifications, rights and privileges of all classes of membership whether or not covered by these By-Laws, but not inconsistent with these By-Laws; and (3) the conduct and privileges of other persons admitted to any privileges of the Club or within its precincts; all as the judgment of the Board shall deem advisable.

(e) To determine and govern all matters affecting discipline, decorum and harmony.

(f) To make and authorize expenditures for any Club purpose not in excess of funds available, provided that expenditures exceeding Five Hundred Thousand Dollars (\$500,000.00 [NAC9]) for any one project for the purpose of substantially enlarging or changing the golf course, or for the purpose of substantial additions, remodeling, or new construction to buildings and grounds other than the golf course, shall always require the prior authorization of the voting Members.

(g) To establish prudent financial guidelines and cash management policy for the Club, and to negotiate a credit facility with a reputable financial institution or institutions to allow borrowing for capital replacements and expenditures and operating needs; provided that any credit facilities exceeding an aggregate Five Hundred Thousand Dollars (\$500,000) shall be first approved by the voting Membership. Included in the definition of credit facilities are lines of credit, term loans, overdraft facilities, equipment leases, and other similar

obligations. Any issue of bonds or the making of any mortgage, trust deed, sale or lease of any real property shall always require the prior authorization of the voting Membership.(See Article XVII). [NAC10]

(h) To call Membership meetings to consider specified subjects.

(i) To censure, suspend, or expel any Member as provided herein.

(j) To appoint an Executive Committee of the Board composed of the President, First Vice President, Second Vice President, and immediate Past President, which may function if necessary during intervals between regular Board meetings. The Executive Committee shall have no authority other than that delegated to it by the Board. Meetings shall be convened and chaired by the President. Minutes shall be kept and reported to the Board at its next meeting.

Section 12.8 Quorum. Except as otherwise provided in the By-Laws, a majority of Directors shall constitute a quorum for the transactions of any business.

Section 12.9 Meetings. The Board shall meet regularly once a month at such times and upon such notice as the Board shall determine. Special meetings of the Board may be called by the President at any time upon such notice as the Board may determine; provided that no action of expulsion shall be valid unless written notice of such proposed action shall have been sent to each Director at least 48 hours before such meeting.

Section 12.10 Consent by Email. Any action that may be taken by unanimous written consent of the Board may be taken by email provided that: (a) the proposed action (“Action Request”) sent by email to the Directors is approved by each Director by sending a return email from the email account to which the Director received the Action Request; (b) the Action Request is approved as written by each Director without any suggested change; and (c) the Directors’ return email each expressly states approval of the Action Request. The General Manager shall print the Directors’ responses and, when every Director has responded to approve the action, the printed email shall be placed in the Club’s corporate records.

Section 12.11 Telephonic Participation in Meetings. Members of the Board or any committee may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment, provided

that all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

Section 12.12 Removal of a Director. Any Director may be removed from the Board, for cause, and after a hearing, by a vote of two-thirds of the remaining members of the Board present at a meeting called for that purpose, provided that no such action shall be valid unless written notice of such proposed action shall have been sent to each Director at least 48 hours before such meeting.

Section 12.13 Disqualification of a Director. If any member of the Board shall at any time cease to be a Regular Member of the Club in good standing, or be absent from the island of Oahu for more than four (4) months without the leave of the Board, or miss more than four (4) consecutive regular meetings of the Board without sufficient reason in the opinion of the Board, or become insolvent, his office as a Director shall immediately become vacant without any action other than to report such fact upon the minutes of the Board by order of the Directors.

### **ARTICLE XIII ELECTION OF DIRECTORS**

Section 13.1 Nominating Committee. At least fifty-five (55) days prior to the date of each Annual Meeting the President shall appoint (and thereafter fill any vacancy in) a Nominating Committee of five (5) Regular Members and name one of them as Chairperson thereof. Such Committee shall meet within five (5) days and, at least forty (40) days before the date of the Annual Meeting shall select from the Regular Members in good standing the names of at least as many candidates for Director as there will be open seats at the next ensuing Club election.

Section 13.2 Nomination and Posting of Candidates. A majority of the Committee shall have power to nominate. The list of names so elected by the Committee shall be known as the regular ticket. A copy thereof shall be signed by the Committee (or a majority of them) and delivered to the Secretary at least forty (40) days before the date of the Annual Meeting, and the Secretary shall promptly post a copy on the Bulletin Board of the Club and send a copy to each voting Member of the Club.

Section 13.3 Other Nominations. Any twenty-five (25) Regular Members of the Club in good standing may in writing nominate any other eligible candidate or

candidates provided that, not less than twenty (20) days before the date of the Annual Meeting, such nominations shall be signed by such Members and submitted to the Secretary for posting.

Section 13.4 Ballots Sent to Membership. At least ten (10) days and not more than twenty (20) days before the date of the Annual Meeting, the Secretary shall send the following material to each Member of the Club entitled to vote: (1) a notice containing the date and place of the Annual Meeting, a list of all nominations, and instructions on how to vote; (2) a printed ballot listing all nominations in alphabetical order; and (3) a stamped self-addressed envelope with instructions to the voting Member to mail the enclosed ballot to the Club, after voting, in the envelope with the voting Member's signature on the ballot and/or envelope for voter identification. In the absence of a signature the ballot shall be voided. Notwithstanding the foregoing, the Board may adopt a process consistent with applicable law for electronic notice and voting which may by Board order supersede the foregoing mail ballot process and the following related requirements.

Section 13.5 Balloting Required. The election of the Directors shall be by paper or electronic ballot. If there are additional nominations to the regular ticket, as provided for under Section 13.3, the alphabetical list of nominees on the ballot shall indicate which of the candidates thereon were named on the regular ticket. As the mailed ballots are received by the Secretary, the ballots shall be dropped into a locked ballot box in the Club Office and the name of the Member voting checked off the official register of voting Members.

Section 13.6 Judges of Election. The President shall appoint, not later than the day before the Annual Meeting, three (3) judges of election from the Regular Members to conduct the election, one of whom shall be named the judge in charge. On the day of the Annual Meeting the polls shall be opened at the Club at least five (5) hours prior to the time set to commence the Annual Meeting to accommodate those Members who have not mailed in their ballots. As the ballots are received, they shall be deposited in the ballot box and the names of the Members checked off the official register of voting Members.

Section 13.7 Balloting by Absent Member. Any Member entitled to vote may vote without attending the polls or attending the Annual Meeting by mailing in his ballot to the Secretary as provided for in Section 13.4, voting electronically if available, or by sending to the Secretary a list of any three of the nominated candidates, either signed by him or enclosed with his signed letter of transmittal. All votes must be received by the Secretary prior to the closing of the polls.



Section 13.8 Conduct of Election. The three (3) judges of election shall convene at the Club no later than three (3) hours prior to the scheduled opening of the Annual Meeting and shall commence tabulating votes from the mailed-in ballots deposited in the ballot box, and at the closing of the polls shall tabulate the remainder of the votes from the ballots deposited that day. The official register of the voting Members, with names checked off as the ballots were received, shall be referred to by the judges in the vote tabulation to assure only voting Members have voted and that a voting Member has voted only once.

Section 13.9 Determination of Election. After the close of the polls and the tabulation of votes the judges of election shall examine the official register and number of ballots cast, count the votes, and report to the President, in writing, the results of election. Of the candidates nominated, as above provided, the three (3) who receive the highest number of votes shall by the President be declared elected. In case any two (2) or more candidates each receive an equal number of votes and all of them cannot be declared elected as above provided, a ballot shall be taken of those Members entitled to vote who are present in person or by proxy at said Annual Meeting (without regard to quorum) as between such equal candidates, but no others, and the candidate receiving the highest number of votes then cast shall be declared elected.

## **ARTICLE XIV OFFICERS**

Section 14.1 Principal Officers. The principal officers of the Club shall be a President, a First Vice President, a Second Vice President, a Secretary, and a Treasurer, who shall be elected by the Board from their own number, except that the Treasurer may be appointed from the Regular Membership [NAC11] of the Club. Said principal officers shall serve for one (1) year subject to the provisions of these By-Laws; provided, however, the Secretary and the Treasurer may not be appointed for more than five (5) consecutive one (1) year terms. As soon as practicable after each Annual Meeting, the Board shall meet and elect from their own number the principal officers herein mentioned.

Section 14.2 Other Officers. There may be such other officers and agents of the Club as the Board may deem requisite and appoint, all of whom shall serve at the pleasure of the Board.

Section 14.3 President. The President shall be the general executive officer of the Club and have general supervision over its operations and affairs, and see to the proper observance and enforcement of all By-Laws, Rules and Policies and

any action or orders of the Board. The President shall preside at all Membership and Board meetings. With the Board's approval, the President shall appoint all committees, and make changes therein. The President shall call such Membership and Board meetings as are herein provided and at the Annual Meeting render a report upon the Club's general affairs during the previous year.

Section 14.4 Vice Presidents. In the absence or disability of the President, the First Vice President shall perform the duties of the President and if unable to do so, such duties shall be performed by the Second Vice President. The Vice Presidents may be appointed by the President, with the approval of the Board, to the chairmanship of a committee and may be assigned other duties by the President or the Board.

Section 14.5 Secretary. The Secretary shall keep, or cause to be kept, a Minute Book in which shall be recorded all of the proceedings of the Board and of membership meetings. The Secretary shall conduct the official correspondence of the Club, and shall maintain, or cause to be maintained, a membership record containing the names and addresses of each member, the date of his or her election to Club membership, and a record of all transfers and terminations of membership. The Secretary shall give all notices required by the By-laws; keep the files and have general charge of the Club's correspondence; maintain and update the Rules and Policies; and attend to such other matters as directed by the Board. The Secretary may delegate such of his or her duties and responsibilities to the Club's General Manager as the Board authorizes.

Section 14.6 Treasurer. The Treasurer shall supervise and maintain, or cause to be maintained, adequate and correct records and accounts of the property and business transactions of the Club. The Treasurer shall render reports of transactions and of the Club's financial condition whenever requested by the President or the Board. The Treasurer shall serve on the Finance Committee. The Treasurer shall perform such other duties as are required of the Treasurer by these By-Laws and as the Board shall from time to time direct. At the monthly meetings of the Board the Treasurer shall review the Club's operational results compared with budget and shall report on other financial matters as required by the Board. At the Annual Meeting the Treasurer shall submit a written report on the financial condition of the Club.

Section 14.7 Signing of Documents. The President and the Treasurer shall sign all contracts, bonds and other instruments in writing to bind the Club. The

Board may delegate authority to the Club's General Manager to execute contracts approved in the annual budget or previously approved by the Board.

Section 14.8 General Manager /Chief Operating Officer. The Board shall employ a General Manager, who shall serve as the Club's Chief Operating Officer, to manage the day-to-day operations of the Club and to exercise any and all powers which the Board may delegate to him. The General Manager shall report to the President and the Board or such other officers as determined by the Board from time to time.

## **ARTICLE XV COMMITTEES**

### Section 15.1 Committees

. To facilitate the execution of its duties, the Board may appoint such standing and special committees as it may deem advisable, and define the duties and authority thereof. Each standing committee shall have a charter approved by the Board defining its responsibilities. The several Committees will act only as a committee, and the individual members thereof will have no independent power or authority. The President shall be an ex-officio member of each committee. Each committee shall be comprised of not less than five members. To maintain year to year continuity at least two members on each committee shall be retained to serve another one year term. The Board may authorize other special committees or sub-committees, as may be deemed necessary.

### Section 15.2 Executive Committee

. There shall be an Executive Committee composed of the President, First Vice President, Second Vice President, and immediate Past President, which may function if necessary during intervals between regular Board meetings. The Executive Committee shall have no authority other than that delegated to it by the Board. Meetings shall be convened and chaired by the President. Minutes shall be kept and reported to the Board at its next meeting..

### Section 15.3 Standing Committees

. Each standing committee shall be chaired by a Director chosen by the President and approved by the Board. The Chair of each standing committee shall appoint, subject to the President's advice and consent, the members of its respective committee. The following are standing committees:

(a) Finance Committee. The Finance Committee shall work with the Club's staff to prepare capital and operational budgets at the beginning of each fiscal year for the Board's approval and shall report on the state of the budget and on other financial matters as requested by the Board.

(b) Audit Committee. The Audit Committee shall assist the Board in fulfilling its fiduciary and accountability responsibilities and shall oversee the practices of the Club's auditors and accounting personnel. The external audit of the Club's annual financial statements, including those of the Club's employee benefit plans, shall be performed by a firm of certified public accountants. The selection or termination of that firm shall be made by the Audit Committee, subject to approval by the Board. Notwithstanding provisions of these By-Laws regarding appointments to other standing committees, appointments to the Audit Committee each year shall include a chair of the Committee for a term of one year and additional members for staggered three-year terms.[NAC12]

(c) Membership Committee. There shall be a Membership Committee appointed by the President with approval of the Board, whose duty it shall be to investigate and report to the Board upon candidates for membership in the Club. The Committee shall be composed of six (6) members. The 1st Vice President of the Club shall be the Committee Chair, and the 2nd Vice President, if appointed to the Committee, shall be the Vice Chair. The other four (4) members of the Committee shall be appointed by the President for a term of four (4) years on a staggered basis. It is preferable, but not required, that these four (4) members have served previously as elected members of the Board of Directors.

#### Section 15.4 Other Committees

. The President, with approval of the Board, may create additional committees, establish the committee's charter, appoint not fewer than three Members for each committee, and designate the Chair. Currently, the Board has established the following committees: House, Grounds, Golf, Finance, Structures & Improvement, Employee Compensation & Benefits, and Long Range Planning.

### ARTICLE XVI

#### MEMBERSHIP MEETINGS

##### Section 16.1 Annual Meetings

. A regular meeting of the Club's voting Membership shall be held annually, at such time and place as the Board may determine (the "Annual Meeting").

##### Section 16.2 Special Meetings

. Special meetings of the Club's voting Membership may be held at any time upon the call of the President or of the Board. Special meetings of the voting Membership shall be called by the President whenever requested in writing by any twenty-five (25) Regular Members in good standing.

##### Section 16.3 Notice of Meetings

. Notice of Member meetings shall be given by the Secretary by posting on the Bulletin Board of the Club and by sending the same to each Member entitled to vote, the date of the posting and sending to be not less than ten (10) days prior to the date of such meeting.

#### Section 16.4 Business at Special Meetings

. At special meetings only such business may be considered as was stated in the notice thereof or which may be germane thereto.

#### Section 16.5 Business at Regular Meetings

. At regular meetings any business whatever may be transacted if otherwise in conformity with these By-Laws.

#### Section 16.6 Quorum

. One hundred (100) voting Members shall constitute a quorum, provided that of such number at least fifty (50) Regular Members shall be present in person. Less than a quorum may adjourn the meeting to another time or times, without further notice, until a quorum shall be present.

#### Section 16.7 Voting Rights

. Each Regular Member shall have one vote and each Intermediate Member shall have one-half vote.

#### Section 16.8 Proxies

. A voting Member in good standing may be represented at any membership meeting by any other Regular or Intermediate Member in good standing by a written proxy or power of authority filed with the Secretary. No person may hold or vote proxies or powers for more than two other voting Members.

#### Section 16.9 Action by Written Ballot

. Any action that may be taken at a properly called and noticed annual or special meeting may be taken by a written ballot of the Members entitled to vote in lieu of a meeting, in compliance with state law. The fact that a matter is submitted for approval by written ballot shall not preclude the Club from calling a meeting to coincide with the final date established for the return of written ballots. The Board shall establish the procedures for conducting a vote by written ballot, provided the procedures comply with these By-Laws and state law, including but not limited to the use of electronic voting. Any action by written ballot shall: (1) set forth each proposed action; and (2) provide an opportunity to vote for or against each proposed action. Approval by written ballot shall require that the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and that the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than election of directors; and (c) specify the time by which a ballot must be delivered to the Club in order to be counted, which time shall not be fewer than three days after the date that the Club delivers the ballot.

## ARTICLE XVII

### SALE, MORTGAGE, ETC. OF REAL PROPERTY

No business having for its object, either directly or indirectly, the sale, mortgaging, or other disposition of any real property of the Club shall be entertained or transacted unless approved by two-thirds of the voting Members present and voting at a duly called Member meeting.

## ARTICLE XVIII

### NOTICES

#### Section 18.1 Bulletin Board

. A Bulletin Board shall be provided and maintained at such conspicuous place on the Club premises as the Board may determine upon which general notices shall be posted as provided for in these By-Laws or as determined by the Board.

#### Section 18.2 Mail and Email Address

. Each Member must in writing notify the Club office of his or her mailing address and email address, and of any changes of such addresses. Failure to do so shall be deemed to have waived any notice provided to be given in these By-Laws. To the greatest extent possible consistent with law, notice by email or by posting on the member only section of the Club's website with email confirmation to Members shall be the preferred method of communications to the membership.

#### Section 18.3 Sending of Notices

. Whenever any notice is provided to be given to any Member or Members of the Club, otherwise than by posting on the Bulletin Board, it shall be conclusively deemed to have been given when either: (a) the same shall have been deposited in the United States mail in Honolulu in a sealed envelope with postage pre-paid, addressed to the Member's address as given by the Member or shown by the books of the Club; or (b) to the Member's email address provided to the Club. .

## ARTICLE XIX

### LIQUIDATION

#### Section 19.1 Distribution upon Liquidation

. Upon any liquidation of the corporation, after the payments of all debts of the Club, its properties shall be sold and converted into cash to be applied as follows: (a) to payments of (i) \$7,000 in redemption of each Transferable Membership Certificate held by a Regular and Limited Regular Member, (ii) \$2,000 in redemption of each Transferable Membership Certificate held by a Social Member and (iii) \$3,000 in redemption of each Transferable Membership Certificate held by a Limited Golf Member, in each case with payment to be made only with respect to outstanding Membership Certificates; and, thereafter, (b) the remaining cash shall be distributed among the voting Members (Regular

Members and former Regular Members who have transferred to a Social Membership and Super Senior Members) and Limited Regular Members, one share for each membership then outstanding.

## ARTICLE XX

### AMENDMENTS

#### Section 20.1 Procedure

. These By-Laws may be amended either:

(a) By the vote of two-thirds of all voting Members present or represented at any Annual Meeting or special meeting of the Membership provided notice of the proposed amendments shall have been given in the notice of the meeting; or

(b) By the concurring vote of not less than a majority of the members of the Board, with the written consent of not less than one-half (1/2) of all of the RegularMembers. No amendment under this subparagraph (b) shall become effective until such proposed amendment has been mailed to the voting Membership for their review and vote on or before a specified date and until ten (10) days after the vote tabulation showing the requisite consent of one-half of the RegularMembers of the Club.

#### Section 20.2 Limitation

. At any membership meeting at which amendments to the By-Laws may be considered under notice given as provided in Section 20.1(a), any amendment may be effected in any By-Laws which shall be germane to the subject matter and not inconsistent with the general intent of the amendment mentioned in the notice.

## ARTICLE XXI

### MISCELLANEOUS

#### Section 21.1 Interpretation

. The decision of the Board on any question or interpretation involving the By-Laws, or any provision herein, shall be final and binding, except as otherwise provided by law, the Articles of Incorporation and these By-Laws.

#### Section 21.2 Errata

. Without further approval of the membership, the Board may correct such errata and scrivener's error as may exist in printed versions of these By-Laws.

#### Section 21.3 Gender

. All pronouns in these By-Laws shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons referred to may require.

[NAC1]Is this a potential concern with IRS Publication 557?

[NAC2]DEAL POINT #1. Can we provide the ½ vote but not allow them to have rights of a full Regular member (right to be an elected board member, rights to equity in a liquidation, right to chair a committee, etc.)?

We need guidance on the impact to other areas including how to specify quorum.

[NAC3]This is not a deal point, but we want the membership to know that this is already stated in our current by-laws. Otherwise it may be perceived as a change.

[NAC4]This may be construed as a DEAL POINT, but we prefer not to include this in the cafeteria menu for approval or declination.

[NAC5]The current by-laws allow Socials to maintain their vote. THIS IS A DEAL POINT. Currently Regulars who transfer to Social maintain their right to vote. We intend on grandfathering these Socials with a vote.

[NAC6]We will require that they move into the Recreation class of membership which has golfing privileges once a month, versus Social which is twice a month.

[NAC7]This may be construed as a DEAL POINT but we would like to point out that it remains unchanged. If anything, it could be tackled in a subsequent revision.

[NAC8]This will be a DEAL POINT if we are required to allow Intermediates with a ½ vote (if approved) to be considered a Regular member.

[NAC9]This is a DEAL POINT based on the current \$250,000 limit established in 2011.

[NAC10]This is a DEAL POINT based on the current \$150,000 limit. It is completely not feasible for operating at \$150k since it includes equipment leases and we have golf course maintenance equipment. We are not sure, but have likely breached this before.

Note that we have an existing \$2 million line of credit.

[NAC11]We need to address the issue regarding Intermediates if they are given a ½ vote.

[NAC12]This is new, but do not intend on raising this as a DEAL POINT to be voted on.

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