



THE LOS ANGELES
ATHLETIC CLUB

MEMBERSHIP BY-LAWS

Effective January 1, 2012

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SECTION 1
AUTHORITY

The Los Angeles Athletic Club ("LAAC") is operated by The LAAC Corp., a California corporation. The authority to issue, amend and repeal these By-Laws is vested in The LAAC Corp., its successors and assigns (hereinafter referred to as the "Club").

SECTION 2
STATEMENT OF PURPOSE

The purpose and objective of The Los Angeles Athletic Club is to operate as a private athletic and social club for the recreational enjoyment of its members, in keeping with the business interests of its owners.

SECTION 3
STATEMENT OF NON-DISCRIMINATION

The Club does not discriminate on the basis of sex, race, color, religion, ancestry, national origin, disability or sexual orientation.

SECTION 4
ELECTION TO MEMBERSHIP

4.1 Election of members shall be the responsibility of the Club's Membership Department. The Membership Department shall adopt rules and regulations relative to the manner of electing members and the procedures to be followed, and in every case the Membership Department shall have the authority to accept or reject each application to membership.

4.2 The Membership Department shall provide forms for persons to make application to membership, shall determine the manner of processing each such application, and may add to, modify or amend the same from time to time.

4.3 An initiation fee or such portion thereof as may be required must accompany each membership application, and all of the information required by the Membership Department must be furnished truthfully and completely by the applicant. Each applicant may be required to pass a credit check.

4.4 If an application to membership is not approved by the Club, the initiation fee or such part thereof as may have been paid shall be returned to the applicant, less a processing fee. Any application not acted favorably upon by the Club shall be considered withdrawn after 60 days. No person failing of election shall again apply until after the expiration of six months from the date of rejection.

4.5 The types and classes of membership, privileges, initiation fees and dues shall be determined by the Club from time to time. The Club may change the number of members as it deems appropriate.

4.6 A former member who resigned in good standing may apply to the Club for reinstatement by completing the current membership forms and paying the current initiation fee or back dues, whichever is

less. Provided, to be eligible for reinstatement, all prior indebtedness to the Club must be paid and the applicant must be otherwise eligible for membership under the then current criteria.

SECTION 5 CONTRACT OF MEMBERSHIP

5.1 Election to membership is the full and sole consideration for the payment of the initiation fee.

5.2 Every member, as a condition of membership, shall agree to be bound by all of the following:

- A. Certificate of Membership
- B. Membership By-Laws
- C. Waiver, Release and Indemnification Agreement
- D. House & Grounds Rules

5.3 The Documents listed in Section 5.2 above constitute the complete membership contract; there are no other terms, express or implied. The terms of membership can be amended only in writing by the Club, and members agree to be bound thereby or to immediately resign their membership.

5.4 Each LAAC membership issued creates only one member: the individual whose name appears on the Membership Certificate.

5.5 Notwithstanding anything to the contrary, any person who exercises membership privileges shall be conclusively presumed by such act to have agreed to be bound by the documents listed in Section 5.2 above, regardless of whether any or all of said documents were signed by such person.

5.6 No membership is transferable unless specifically so designated in writing by the Club.

SECTION 6 MEMBERSHIP LIMITED TO ONE CLUB

Membership in the LAAC does not entitle the holder to membership or privileges in any other club. The Club may from time to time in its sole discretion arrange or permit the use of other club's facilities by LAAC members, but such reciprocal club privileges may be changed, reduced or discontinued at any time without notice or offset. LAAC members exercising privileges at any reciprocal club shall familiarize themselves with, and follow, the rules of the reciprocal club.

SECTION 7 MEMBERS NOT OWNERS, EMPLOYEES OR AGENTS

7.1 No member shall, by virtue of membership, be an owner, partner, shareholder, joint venturer, or have any right or interest in any of the assets of the Club or any related entities, nor shall any member have any liability of any kind, solely by virtue of membership, except for the payment of dues and house accounts and for the observance of the terms of the membership contract. Members are not liable for the debts or other obligations of the Club, past, present, or future. No member shall have any say in the management of the Club, except as may be stated in these By-Laws as amended from time to time.

7.2 No person, by virtue of membership is, or shall be, an employee, agent or contractor of the Club, and service by a member on the Board of Governors or any special or standing committee or volunteer position shall not, by reason thereof, make the member such an employee, agent or contractor, nor shall any member have the authority to act for, or bind, the Club.

7.3 The Club shall have no responsibility for the acts of its members on or off LAAC premises.

SECTION 8 HOUSE & GROUNDS RULES

The Club may from time to time adopt such House & Grounds Rules governing use of the LAAC facilities and for the implementation of these By-Laws as it sees fit. House & Grounds Rules and any changes, repeals, amendments or additions thereto are effective upon posting or otherwise being made available to members, and every member, their families and guests are bound to abide by them.

SECTION 9 DUES & HOUSE ACCOUNTS

9.1 Club privileges and the member's obligation to pay dues shall begin on the date of election to membership. Dues are subject to increase from time to time, as determined by the Club in its sole discretion. Dues are non-refundable.

9.2 The Club may assign each member a credit limit for charges on the member's house account. The Club may change any member's credit limit from time to time in its sole discretion.

9.3 Dues, fees and house accounts shall be due and payable at LAAC on the first day of each month or at such other time and place designated by the Club; and if unpaid, they shall be delinquent upon the last day of the month in which billed. A finance charge in an amount determined from time to time by the Club shall apply to all dues, fees, house accounts and other sums owing that are past due. In addition, if a member's account is delinquent, credit and/or membership privileges may be restricted or denied while the account remains unpaid, and the Club may at its option post a notice of such delinquency. At the option of the Club, the membership and all rights thereunder may be terminated by mailing notice to the delinquent member's last known address.

9.4 A member shall be responsible for all charges made by or on behalf of the member, his or her family and guests, and shall promptly pay the Club for the same.

9.5 The Club shall be the sole judge of the proper time to limit or collect any indebtedness to the Club. Members agree to pay applicable finance charges and the Club's costs of collecting overdue sums.

SECTION 10 HONORARY & COMPLIMENTARY MEMBERS

The Club may from time to time elect such honorary and complimentary members as it sees fit.

SECTION 11
NON-RESIDENT & ABSENT MEMBERS

11.1 A non-resident member is defined as a member not residing, and not having a principal place of business, within Los Angeles County or such other counties or zip codes as the Club shall designate from time to time.

11.2 A member who is absent from the state for a period of six months or more may apply in writing to the Membership Department for temporary non-resident status, and if approved, the member shall pay non-resident dues on the terms and conditions set by the Membership Department during such absence, provided the member notifies the Membership Department in writing in advance of leaving the state and promptly upon return. If the member returns before the period of six months expires, the regular dues for the entire period shall be due and payable.

SECTION 12
MEMBERSHIP CARDS

Each member in good standing will be furnished with a membership card, and members must present their membership card upon request. Members in good standing may charge LAAC goods and services to their house account by presenting their membership card at the time of purchase, subject to credit limits. Use of the membership card is governed by the Member Card Agreement. The issuance of a membership card alone, however, does not create membership status in any person. No member may transfer or lend his/her membership card to any other person. Any use whatsoever of a member's card by a person other than the member whose name appears on the card shall be sufficient cause for expulsion from membership. Members shall immediately notify the Club of a lost or stolen card.

SECTION 13
FAMILY PRIVILEGES

The Club may from time to time grant certain privileges to a member's spouse and unmarried children living at home, subject to such fees, terms and conditions as the Club sees fit. The extension of privileges or the issuance of a family card to such individuals does not confer membership status on them. The Club reserves the right at any time, to change, discontinue, restrict or revoke family privileges. A member shall immediately notify the Membership Department in writing of any change in eligibility status of any family member listed on the member's membership account. Members remain fully responsible for the charges and conduct of persons exercising privileges under the member's account, whether or not such persons are listed in the Club's records.

SECTION 14
GUEST CATEGORIES

14.1 Personal guests are defined as persons who are invited or escorted onto LAAC premises by a member. A member may entertain personal guests in the social and dining areas of the LAAC clubhouse. Personal guests' use of the athletic facilities is limited and is subject to the House & Grounds Rules. A personal guest may enter LAAC premises only when accompanied by the member introducing him or her, or by special prior arrangement with the Club.

14.2 Reciprocal guests are defined as guests who are members of other clubs with which the Club has a reciprocal privileges arrangement, and who present a letter of introduction from their home club. The Club shall establish conditions and fees for use of its facilities by reciprocal guests. Reciprocal guest privileges are generally limited to a period of two weeks or less.

14.3 Sponsored guests are defined as persons who are sponsored by a member for the purpose of holding or attending a banquet function at the LAAC.

14.4 Hotel guests are defined as persons staying in the LAAC Hotel.

14.5 Other than as enumerated in sections 14.1 and 14.3 above, members may not bring or invite guests onto the Club's premises.

SECTION 15 GUEST RULES

15.1 No member shall repeatedly invite or bring the same person on the LAAC premises as a guest who is eligible for membership; and no member shall at any time introduce any former member who resigned not in good standing or whose membership was terminated by the Club.

15.2 Guest usage is limited to the places and hours, and subject to such fees, conditions and restrictions as posted or provided for in the House & Grounds Rules.

15.3 Guests shall sign the LAAC Guest Register if requested to do so.

15.4 Guests whose conduct, manner, appearance, or deportment are not within the Club's standards or who offend or disturb other persons may be required to leave the premises.

15.5 Guests, other than those staying in the LAAC Hotel, shall not be permitted to contract any indebtedness to the Club. Members are responsible for any charges incurred by their guests.

15.6 No inherent right to guest privileges exists with membership. The Club may change, withdraw or limit guest privileges as it sees fit in its sole discretion. Guest privileges are not available to members not in good standing or who are delinquent in their house account.

SECTION 16 BOARD OF GOVERNORS; MEMBER COMMITTEES

16.1 The Club may convene a Board of Governors for the purpose of advising management on matters of interest to the membership. Provided, all decisions and authority regarding Club finances, facilities, policies, business affairs, personnel administration, and property shall be the sole province of the management of the Club.

16.2 The Club, or the Board of Governors with the Club's approval, may from time to time organize standing and special member committees as they deem desirable for the purpose of promoting activities of interest to, and among, the membership.

SECTION 17

PROPERTY

17.1 The Club reserves the right to use its property and facilities for any purpose it sees fit, including use by non-members. The Club shall not be obligated to maintain any of its property, facilities or services for the enjoyment of its members or otherwise, and may at any time change, withdraw or diminish the availability of the same, permanently or temporarily. The Club reserves the right to sell, transfer, reorganize or dissolve the LAAC at any time, in whole in part.

17.2 Members are fully responsible and must pay promptly for all damage or loss of Club property caused by themselves, their families and guests. Payment for such loss or damage may be collected in the same manner as debts or obligations are collected under these By-Laws, and failure to pay the same upon demand shall be an infraction of these By-Laws.

17.3 The Club shall not, under any circumstances, be responsible for the personal property of members, their families or guests, whether on or off the Club's premises.

17.4 The Club shall have the unqualified right to make such rules, regulations and restrictions governing the use of the Club's property as the Club may deem wise to adopt. Property of the Club shall not be loaned, borrowed, removed from the premises, or put to any other use other than what it was intended for.

SECTION 18

PUBLICATION CONSENT

Each member, for himself or herself, and for the member's family members and guests, irrevocably consents to the taking of photographic images of such persons while on the LAAC premises or engaged in LAAC sponsored activities, and to the use, publication and reuse of such images in any media, without review or compensation. Such consent shall survive any membership termination.

SECTION 19

CHANGE OF ADDRESS

A member must immediately notify the Membership Department in writing of any change of the member's address, and by failure to do so shall be deemed to have waived any notice provided for under these By-Laws.

SECTION 20

TIPS

Club employees are prohibited from receiving tips or remuneration from members, and members are prohibited from giving the same, except as may be permitted by the Club by written notice.

SECTION 21

MEMBERS NOT PERMITTED TO GIVE LESSONS FOR COMPENSATION

Only personnel authorized by the Club may give lessons or instructions for compensation on LAAC premises or under the auspices of LAAC. No member shall instruct any other member or guest for remuneration of any kind on the LAAC premises or under the auspices of the Club, nor shall any member bring any person onto LAAC premises for such purposes.

SECTION 22

DISCIPLINE

22.1 No member shall discipline any employee, guest or contractor of the Club, or another member, or another member's family members or guests, but shall promptly report any inappropriate conduct to Club management.

22.2 Any member may be reprimanded, suspended, restricted in privileges, removed from any LAAC position, board or committee, or expelled for violation of these By-Laws or the House & Grounds Rules, conviction of a crime, or for misconduct on or off Club property which, in the Club's sole opinion, may adversely affect the Club, its reputation, employees or members.

22.3 Any member who is facing disciplinary action by the Club shall be given prior notice at the member's last known address and an opportunity to respond in his or her own defense. Failure to respond within ten days to a notice from the Club may result in a decision being rendered against the member. The Club shall consider any statements and evidence submitted before rendering a decision. The member shall be notified of the Club's decision in a timely manner. Notice will be deemed given two days after posting in the U.S. mail to a member's last known address as appearing on Club records, or when given to the member in person or by telephone or email. Any and all penalties shall be imposed by the Club, in accordance with these By-Laws or the House & Grounds Rules.

22.4 Any member who is expelled, suspended, or restricted in privileges by the Club may appeal the decision by written notice to the Club's President setting forth in detail the grounds for the appeal. Such an appeal must be received within ten days after the Club has notified the member of a decision against the member. The Club's President shall consider the merit of the appeal, and may at any time modify or rescind any disciplinary action or penalty imposed.

22.5 A member may be placed on suspension by the Club while a disciplinary matter is being investigated or pending the outcome of any proceeding. During a period of suspension, the member shall continue to pay dues but shall not have any membership privileges. Upon termination, a member shall not be entitled to any refund of initiation fees or dues, and all indebtedness to the Club is immediately due and payable.

22.6 Any claim, controversy or dispute arising out of or related to disciplinary action by the Club and not resolved by appeal to the Club's President as provided above shall be submitted to binding arbitration as set forth in Section 29 of these By-Laws.

SECTION 23
LIFE MEMBERS

23.1 No new Life Memberships (transferable or otherwise) will be issued by the Club, and the Club specifically reserves all of its rights and privileges with respect to all presently existing Life Memberships. The Club may from time to time adopt such rules and regulations applicable to Life Memberships as it shall deem desirable.

23.2 Only those memberships which state on the Certificate of Membership, "Life" are Life Memberships; all other classes of membership are not Life Memberships. No Life Membership shall be transferable unless it states on the Certificate of Membership, "Transferable."

23.3 A Life Membership carries membership privileges only in the named club appearing on the face of the Membership Certificate. A Life Membership terminates upon the first occurrence of either the discontinuance of the named club or the death of the holder, subject to Section 23.6.

23.4 A Life Membership is exempt from the payment of dues only in the club named on the certificate but is subject to dues and other charges for the use or privileges of any other club, as may be permitted by the Club. Life Memberships are also subject to any applicable taxes, and for service fees and charges other than dues.

23.5 Transferable Life Memberships may not be advertised for sale. Any violation of this section may result in termination of the membership.

23.6 Even as to a transferable Life Membership, except as hereinafter provided in the event of the death of the holder, such membership may only be transferred during the life of the holder and to be effective, a transfer application must be made in the manner and on the forms required by the Club. Any transfer must be to a person acceptable to the Club and shall be further subject to the payment of a transfer fee in the amount as shall from time to time be determined by the Club. At the time of a proposed transfer of any transferable Life Membership, the membership shall first be offered in writing to the Club, which shall have the right, but not the obligation, to purchase the membership either: (1) at the same price as it was offered to others, (2) at the original price which the Club received at the time when the Life Membership was first issued, or (3) the price paid by the holder. If, within thirty days of receipt of the written offer, the Club elects to purchase the membership, it shall give notice of its election, and within ten days thereafter the Club shall pay either the offered price, the original price or the price paid by the holder, as aforementioned, and deducting therefrom the transfer fee. No transfer or attempted transfer shall be valid unless and until all of the conditions of this section are fully satisfied. In the case of death, a transferable Life Membership may be sold by the Executor or Administrator of the decedent's estate in the manner set forth above, provided such transfer is made and notice thereof given to the Club not more than six months from the date of death. Except as provided above, every Life Membership, transferable and otherwise, is limited both as to the life of the holder thereof and to the life of the particular club named on the Certificate of Membership. No property right of any kind in the Club is acquired or held by any Life Member.

23.7 In no event shall any person who holds a transferable Life Membership be entitled to transfer his or her membership or to receive any sum therefor, if such person has resigned, been expelled or dismissed from the Club or who is otherwise not a member in good standing.

SECTION 24

TERMINATION OF MEMBERSHIP BY MEMBER

24.1 Any member may terminate his or her membership at will, but to do so, must deliver to the Membership Department a written notice of resignation signed and dated by the resigning member. The resigning member shall remain liable for any outstanding balance on his or her house account, including dues for the month in which written notice of resignation is received by the Club, finance charges, and any contractual obligations that survive the membership termination. The resigning member shall not be liable for monthly dues after the month in which the Club receives the signed written notice of resignation, unless the resigning member or the member's family or guests continue to use the Club's facilities, in which case the member shall remain liable for dues and charges.

24.2 Termination of membership or the Club's acceptance of a member's resignation or any payment shall not be a relinquishment of the Club's rights and remedies as to any outstanding obligations of the member to the Club.

SECTION 25

TERMINATION OF MEMBERSHIP BY THE CLUB; RESTRICTIONS ON MEMBERSHIP

25.1 The Club reserves the right to terminate any membership at any time with or without cause and without giving any reason therefor by returning to the member the initiation fee received from the member (but not including any tax) less any indebtedness of the member to the Club, and without relinquishing its right to collect in full all dues, house accounts, and other amounts owing from the member as of the date of termination. The receipt by the member of the refund referred to above shall constitute a full release of any and all claims, causes of action, demands, damages, liabilities, losses, suits, costs and expenses including attorney fees, arising from the payment of the initiation fee and dues, or the membership termination.

25.2 The Club in its sole discretion may restrict or suspend any member's privileges as may seem to be in the Club's best interest, and a member so restricted or suspended in his or her privileges shall not on account thereof be entitled to any refund of the initiation fee or reduction in dues.

25.3 Refusal of the Club to allow a member the use of the LAAC facilities or exercise other privileges during delinquency, suspension, or otherwise shall not in itself constitute a termination of the contract of membership, which may be terminated only as provided in these By-Laws.

SECTION 26

REFUND OF INITIATION FEE

26.1 Following election to membership, if a member resigns, no part of the initiation fee shall be refunded to the member.

26.2 If the LAAC is terminated or if all of the services and facilities of LAAC are discontinued, then, at the written request of the member delivered to the Club, such member shall be repaid the actual initiation fee paid by him or her (but not to include any tax) less 1% of that fee per day from the date of election to the date the Club receives the member's written request. Provided, the Club shall refund none of the initiation fee if the termination or discontinuance occurs more than one hundred days from the date of the member's election.

SECTION 27

REPEAL AND AMENDMENT

These Membership By-Laws may be repealed, amended, or new rules and regulations may be enacted at any time by the Club, and all members agree to be bound thereby or to immediately resign their membership. Amendments to these By-Laws and to the House & Grounds Rules shall become effective upon posting in a conspicuous place on LAAC premises or otherwise made available to the members.

SECTION 28

ASSUMPTION OF RISK, WAIVER, RELEASE AND INDEMNIFICATION

28.1 Members, their families and guests undertake any use of the Club's facilities and participation in LAAC activities solely at their own risk, including among other things, the risks of death, serious personal injury including permanent disability and property loss arising from athletic, recreational, or social activities, as well as unforeseen risks. In no case shall the Club be liable for personal injury or property damage or other loss arising from the use of its facilities or participation in any activities on or off LAAC premises. The Club is not the insurer of its members, their families or guests.

28.2 To the fullest extent permitted by law, every member waives all claims, promises not to sue and forever releases the Club from any action, claim, damage, demand, liability, suit, cost or expense, including attorneys' fees, for injury to any person or loss of any property arising from any use of the Club's facilities or participation in activities on or off LAAC premises, whether or not arising from the active or passive ordinary negligence of the Club.

28.3 To the fullest extent permitted by law, every member agrees to defend, indemnify and hold the Club harmless from and against any action, claim, damage, demand, liability, loss, suit, cost or expense, including attorneys' fees, for injury to any person or loss of any property arising from any use of the Club's facilities or participation in any activity on or off LAAC premises, and whether or not arising from the active or passive ordinary negligence of the Club or any party indemnified hereunder.

28.4 As used in this section 28, the "Club" shall mean The LAAC Corp., its owners, affiliates, partners, successors and assigns, and the directors, officers, employees, agents and representatives of any of them

SECTION 29

LEGAL ACTION AND ARBITRATION

29.1 If legal action is commenced to collect any account owed by a member and if judgment is obtained by the Club, such judgment shall include interest at the highest legal rate from the date judgment is entered.

29.2 Should any party or parties bound by these By-Laws bring suit against the Club on any claim or matter, and fail to obtain a judgment against The Club, that party or parties shall be liable to the Club for all costs and expenses incurred by the Club in defending the suit, and judgment shall be entered thereon.

29.3 No action, claim, counterclaim, complaint or cross complaint, suit or countersuit, whether arising in tort, contract, or otherwise, shall be filed against the Club more than one year from the date that the cause of action arose, and if not so filed shall for all purposes be deemed waived and void, regardless of any statute of limitations.

29.4 Any claim, controversy, dispute, cause of action, complaint or cross complaint, suit or countersuit, whether arising in contract, tort, or otherwise brought against the Club or its related entities by any member or other person bound by these By-Laws shall, at the Club's election and as permitted by law, be diverted and removed from the courts and submitted to binding arbitration in Los Angeles by an arbitrator mutually acceptable to the parties. The arbitration shall be conducted under the rules of the arbitration provider, except as the parties may otherwise agree. The arbitrator shall review the evidence presented, and shall have the same powers as a judge to decide the case by applying the law and the terms of the membership contract to the evidence presented. The arbitrator shall have no power or authority to modify any lawful provision of these By-Laws or other Club agreement, policy or procedure. The arbitrator shall issue a written decision, which shall be binding on the parties, and court judgment may be entered thereon. The parties shall each pay their own costs of the arbitration, and one half of the arbitrator's fee, subject to the arbitrator's power to award costs and fees under any applicable statute or contract.

29.5 If any suit, countersuit or cross complaint is filed against the Club in violation of this Section 29, the Club shall be entitled to an immediate dismissal of the same with prejudice, recovery of its costs and expenses, and injunctive relief, in addition to its other remedies.

SECTION 30 INTERPRETATION

These By-Laws, the House & Grounds Rules and any other documents created by the Club shall have the meaning and effect given to them by the Club, shall not be strictly construed against the Club, and any conflict or ambiguity shall be resolved by the Club or in the Club's favor. If any provision is found to be invalid or unenforceable by an arbitrator or court of competent jurisdiction, the remaining provisions shall continue in full force and effect. The section headings of these By-Laws are for ease of reference only and shall not be deemed to limit the meaning of the provisions hereof.

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