

BYLAWS
OF
COUNTRY CLUB OF THE ROCKIES, INC.
AS AMENDED
Effective November 8, 2018

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Country Club of the Rockies, Inc. (the “Club”) is a private club established for golf and social activities of its Members. The Club shall be governed in accordance with these Bylaws, as amended from time to time.

ARTICLE 1

DEFINITIONS

“Applicable Refund” shall have the meaning set forth in Section 8.4.

“Applicant Waiting List” shall have the meaning set forth in Section 2.5.1.

“Attrited Memberships” shall have the meaning set forth in Section 8.1.3.

“Board” shall mean the Board of Directors of the Club.

“Bond” shall mean an indebtedness of the Club to a Member described in Section 6.4.

“Bylaws” shall mean these Bylaws, as amended from time to time.

“Club” shall mean Country Club of the Rockies, Inc., a Colorado nonprofit corporation.

“Club-Designated Club Privilege Holders” shall mean the persons designated from time to time by the Club as Club Privilege Holders as set forth in Subsection 3.4.3.

“Club Privilege Holders” shall mean the Club-Designated Club Privilege Holders, Honorary Members and Social Members. The Club Privilege Holders shall not be Members.

“Club Privileges” shall mean the rights and privileges of the Club Privilege Holders.

“Descendant” shall mean a lineal descendant of the Member or the Member’s spouse.

“Descendant Transferee” shall mean a Descendant to whom a Membership has been transferred as set forth in Section 7.5.3.

“Effective Time of Resignation” shall have the meaning set forth in Section 8.1.2.

“Family Guests” shall mean a Member’s (i) children not qualifying as Immediate Family, (ii) children’s spouses, (iii) siblings, (iv) parents and (v) grandchildren.

“Honorary Members” shall mean those Club Privilege Holders invited by the Board, in its sole discretion, to become Honorary Members.

“Immediate Family” shall mean a Member’s or Club Privilege Holder’s (i) spouse or Significant Other, and (ii) unmarried children and stepchildren under an age specified from time to time by the Board.

“Life Members” shall mean those Members designated as Life Members on the Schedule of Memberships.

“Members” and “Memberships” shall mean the Resident Members, Non-Resident Members, and the Life Members, together with the membership rights and privileges attendant thereto.

“Membership Committee” shall have the meaning set forth in Section 2.4.1.

“Membership Contribution” shall have the meaning set forth in Section 6.2.

“Membership Limit” shall have the meaning set forth in Section 2.1.

“Membership Obligation” shall mean all of the payment obligations of a Member or former Member to the Club described in Article 6.

“Non-Resident Member” means a Member described in Section 2.2.2 who is not a Property Owner.

“Non-Resident Membership Limit” shall have the meaning set forth in Section 2.1.

“Property” shall mean a single family residence, duplex, townhome, condominium or other residential unit, or a lot in the Subdivision.

“Property Owner” shall mean any person who owns a fifty percent (50%) or greater interest in a Property. No more than one (1) person shall be considered a Property Owner of any Property.

“Resident Members” shall mean those Members described in Section 2.2.1 who are Property Owners.

“Resignation Waiting List” shall have the meaning set forth in Section 8.2.

“Rules” shall mean the rules and regulations regarding any of the Club facilities issued by the Board from time to time.

“Schedule of Memberships” shall mean the schedule maintained by the Board showing the names and Membership category of each Member.

“Senior Member” shall mean a Member who satisfies the requirements set forth in Section 3.3 and elects, with the approval of the Board, to become a Senior Member with the rights and obligations set forth in Section 3.3.

“Significant Other” shall mean a person designated, in writing, by the Member or Club Privilege Holder and approved by the Board, in its discretion, with whom a Member or Club Privilege Holder has a cohabitation relationship as an unmarried partner; provided that the person so designated by the Member or Club Privilege Holder and approved by the Board may not be changed more than once in an eighteen (18) month period. References in these Bylaws to a “spouse” shall not mean a Significant Other.

“Social Members” shall mean those Club Privilege Holders accepted as Social Members at such time as Social Memberships are established by the Board. The Club shall not be obligated to issue any Social Memberships.

“Special Assessment” shall mean one or more assessments approved by the Board for the purpose of funding an approved capital project, but shall not include an assessment approved by the Board for operating purposes or funding of a reserve.

“Subdivision” shall mean the planned unit development known as Arrowhead at Vail, in Eagle County, Colorado as it exists as of the effective date of these Bylaws, as well as the neighboring Arrowhead River Ranch and McCoy Creek Cabins communities.

“Transfer Fee” shall mean the amount payable upon transfer of a transferred or resigned Membership, as provided in Section 8.5.

“Treasury Membership” shall have the meaning set forth in Section 8.1.2.

ARTICLE 2

NUMBER OF MEMBERS, CATEGORIES OF MEMBERSHIPS; ACCEPTANCE OF APPLICATIONS AND APPLICANT WAITING LIST

2.1 Number. The maximum number of Members shall be 370 (the “Membership Limit”). The number of Non-Resident Members may not exceed 130 (the “Non-Resident Membership Limit”) at any time, except as set forth in Section 7.3.4. Club Privilege Holders, Honorary Members, and Social Members shall not count against the Membership Limit or the Non-Resident Membership Limit. Members shall have all privileges afforded by the Club. Each Member shall be at least 21 years of age. In the case of a married couple, only one spouse will be deemed to be the Member as designated on the original membership application. The Board may reduce the Membership Limit as provided in Section 8.1.3.

2.2 Categories of Memberships. The Club shall have two (2) categories of Memberships.

2.2.1 Resident Memberships. Any Member who is a Property Owner shall be a Resident Member.

- 2.2.2** Non-Resident Memberships. A Member who is not a Property Owner shall be a Non-Resident Member.

The acceptance of a Member as Senior Member as set forth in Section 3.3 will not change the Member's category of Membership. The category of Membership of a Descendant Transferee admitted as a Member as set forth in Section 7.5.3 will be determined as set forth in Section 7.5.3(c).

- 2.3** Club Privilege Holders. The categories of Club Privilege Holders are set forth in Section 3.4. Unless the Board directs otherwise, a Club Privilege Holder is not required to be a Property Owner.

2.4 Acceptance of Applications.

- 2.4.1** Standards. Candidates for Membership shall be identified, evaluated and approved by the Board in such manner as it considers appropriate from time to time. In determining whether to extend a Membership invitation or to approve a candidate for Membership, the Board shall act in its sole discretion and shall not be bound to act in a manner consistent with the past invitation or approval practices, procedures or standards applied by the Board. All or any part of the power, authority and duties of the Board under this Section may be delegated from time to time to a special committee (the "Membership Committee") appointed by the Board and comprised of such persons or entities as the Board deems appropriate.

- 2.4.2** Club Privilege Holders. Club Privilege Holders shall be admitted in the same manner as Members, as specified in Section 2.4.1.

2.5 Applicant Waiting List.

- 2.5.1** Resident and Non-Resident Categories. When a Membership category is filled, the Board shall maintain a waiting list (the "Applicant Waiting List") of individuals (who are not Members and whose spouses are not Members) who desire to become Members. The Applicant Waiting List shall have a category (the "Resident Category") for individuals who are Property Owners or who have legally enforceable contracts to become Property Owners that are scheduled to close within six months after the dates of such contracts (or such longer period as the Board approves) and a category (the "Non-Resident Category") for individuals who are not Property Owners and do not have a legally enforceable contract to become Property Owners that is scheduled to close within the next six months (or such longer period as the Board approves). The Board may require an individual to complete an application as a condition to being placed on the Applicant Waiting List.

- 2.5.2** Priority. The individuals on the Applicant Waiting List shall have priority for the next Memberships that a Member desires to transfer under the provisions of Sections 7.3.2, 7.3.3, 7.4.1 or 7.4.2, or the next Treasury Membership the Board elects, in accordance with Section 8.1.3 to make

available for issuance. The Memberships will be made available to the individuals on the Applicant Waiting List based upon the date on which each individual was first placed on the Applicant Waiting List, with the first priority being given to individuals in the Resident Category and then to individuals in the Non-Resident Category. No Membership will be issued to an individual in the Non-Resident Category if there are any individuals in the Resident Category who are approved for admission by the Board in accordance with Section 2.4.

- 2.5.3** Other Matters. The Board, in its discretion, may establish requirements and procedures for the Applicant Waiting List in addition to those in Sections 2.5.1 and 2.5.2. The Board may alter these additional requirements and procedures at any time. Subject to the requirements of Sections 2.5.1 and 2.5.2, all decisions regarding the Applicant Waiting List shall be made by the Board in its discretion, and no decision by the Board with respect to any person on the Applicant Waiting List shall be binding on the Board with respect to any other person on the Applicant Waiting List.

ARTICLE 3

RIGHTS AND PRIVILEGES

- 3.1** Generally. The rights and privileges of Members and Club Privilege Holders shall be limited to those expressly set forth in these Bylaws, the Articles of Incorporation and the Rules, or required by applicable law. The respective rights and privileges of the Members and the Club Privilege Holders to use the Club's facilities shall be determined by the Board and set forth in the Rules or special supplements thereto. The Board shall have the power and authority to expand, amend, modify, limit, restrict or eliminate from time to time any right or privilege granted to the Members or Club Privilege Holders, except to the extent such rights or privileges are required by applicable law.
- 3.2** Members. Except with respect to Senior Members as set forth in Section 3.3 and with respect to certain Descendant Transferees as set forth in Section 7.5.3(e), all Members shall have (a) the same rights to use the Club's facilities, (b) the same voting rights, and (c) the Membership Obligations described in Article 6. All Members shall be subject to the transfer restrictions in Article 7.
- 3.3** Senior Members. A Member who has reached age 80 by January 1 of any year and who has been a Member for at least ten years may apply to the Board to become a Senior Member. Upon the Board's acceptance of a Member's application to become a Senior Member, the Senior Member shall no longer have any voting rights and shall be subject to such restrictions on use of the Club facilities as the Board may specify from time to time. The Senior Member shall not have any obligation to pay any Special Assessments or purchase any bonds, and shall pay only the reduced fees and dues as are established by the Board from time to time for Senior Members. Except as set forth above in this Section 3.3, the rights and

obligations of the Senior Members shall be the same as all other Members and the references in these Bylaws to Members shall mean and include Senior Members.

3.4 Club Privilege Holders.

3.4.1 Honorary Members. Honorary Members shall have the use of the Club facilities and the golf course during such period of time and upon such other terms and conditions as shall be determined by the Board. Membership Obligations levied by the Club may be reduced or eliminated for each Honorary Member, as the Board may decide. Honorary Memberships are nontransferable.

3.4.2 Social Members. If the Club offers Social Memberships, these Social Members may use the clubhouse and participate in social events organized by and for the Club as specified by the Board, but may not use the golf course facilities. The Social Memberships shall otherwise be on such terms as the Board shall determine, including restrictions on transfer and the requirement to pay Membership Obligations levied by the Club for Social Members. At any time when the Club's restaurant facilities are not open to the public, Property Owners shall have the first right to Social Memberships.

3.4.3 Club-Designated Club Privilege Holders. The Board may designate, from time to time, employees of the Club or persons doing business with the Club, as well as any Member who is transferring his or her Membership to one or more Descendants as permitted by Section 7.5.3, as Club Privilege Holders (the "Club-Designated Club Privilege Holders"). The number of Club Designated Privilege Holders shall be established by the Board and the designations shall be for such periods of time and upon such terms and conditions as may be determined by the Club. Club-Designated Club Privilege Holders shall have the rights and obligations as determined from time to time by the Board in its sole discretion. The Board reserves the right to further restrict any such rights it may create. Club-Designated Club Privilege Holders shall not be required to make any Membership Contributions, but, unless otherwise determined by the Board, shall be required to pay the same dues, assessments, and other charges as Members, excluding any Bonds and Special Assessments. Club-Designated Privilege Holders' rights are nontransferable.

3.5 Immediate Family. Unless the Club is otherwise instructed by written notice from the applicable Member or Club Privilege Holder, the Immediate Family of a Member or Club Privilege Holder shall be entitled to use the same Club facilities as the Member or Club Privilege Holder without payment of additional Membership Obligations, subject, however, to any conditions or limitations which the Board may impose from time to time. Members and Club Privilege Holders shall be responsible for all charges and other obligations incurred by their Immediate Families.

- 3.6** Guests. Guests shall be welcome at the Club when accompanied by a sponsoring Member. The Board may also establish rights of unaccompanied guests to use the club facilities. Appropriate guest fees and the circumstances under which guests may use the various facilities of the Club shall be established by the Board from time to time. Guests shall be subject to the Bylaws and Rules of the Club. The sponsoring Member of a guest shall at all times be responsible for the conduct, charges attributable to, and actions of such Member's guests.
- 3.7** Voting Rights. Except for the election of the members of the Board, or otherwise as expressly provided in the Articles of Incorporation, Members who are eligible to vote shall only be entitled to vote on the following exclusive list of major decisions:
- (a) The sale, lease or other disposition of personal property or privileges of the Club the result of which would materially and permanently affect the operations of the Club facilities;
 - (b) The sale or other disposition of real property owned by the Club, except for incidental sales or dispositions of real property not material to the operations of the Club Facilities.
 - (c) Any amendment to the Club's Articles of Incorporation;
 - (d) Any change in the operations of the Club that would affect the tax exempt status of the Club;
 - (e) The mandatory purchase of a Bond if the aggregate face amount of such Bond, together with all other then outstanding Bonds, exceeds \$5,000 per Member.
 - (f) Any increase in the number of Members or the establishment of additional categories of Memberships or Club Privileges;
 - (g) Any commitment or related series of commitments by the Club for capital expenditures by the Club in excess of \$1.0 million;
 - (h) Any loan to the Club which, together with other outstanding indebtedness of the Club for borrowed money (excluding Bonds), would exceed \$1.0 million;
 - (i) Any amendment resulting in material changes to Section 2.1 (with respect to increasing the maximum number of Members or the Non-Resident Membership Limit), Section 3.5, this Section 3.7, Article 4, Article 6, Article 7, Section 9.2, Section 9.3, Section 9.4, Article 13, Section 14.1 or Section 14.8 of these Bylaws; and
 - (j) Any amendment in the definition of Subdivision that would result in the inclusion of any additional real property.

Club Privilege Holders shall have no voting rights.

ARTICLE 4

SUSPENSION OF RIGHTS AND PRIVILEGES AND EXPULSION

- 4.1** Delinquent Accounts. If a Member or Club Privilege Holder does not pay the amount of his or her statement for amounts due within 30 calendar days after it is mailed, the credit privileges of such Member or Club Privilege Holder shall be suspended as the Board may determine. The Club shall send notice of such suspension to the Member or Club Privilege Holder, who shall not be considered to be in good standing until the delinquency is cured. If the Member or Club Privilege Holder fails to pay all delinquent charges within 20 calendar days after such notice is mailed, the Board, in its sole discretion, may suspend the Member's or Club Privilege Holder's rights and privileges in Article 3 at any regular or special meeting. In addition, the Board, in its discretion, may require interest to be paid by Members or Club Privilege Holders on any account balances that are not paid within 30 days after the Club's mailing of the statement of amounts due.
- 4.2** Repeated Delinquencies. If a Member or Club Privilege Holder is given notice of a delinquent account by the Club more than once in any six-month period, or if the Member or Club Privilege Holder incurs any additional charges during the time that privileges are suspended in accordance with Section 4.1 above, the Member or Club Privilege Holder shall be notified that his or her name will be brought before the Board at a regular or special meeting, at which time the Board may decide, in its sole discretion, to expel the Member or Club Privilege Holder from the Club.
- 4.3** Other Violations. Any Member, Club Privilege Holder, Immediate Family, Family Guest, or guest of a Member whose conduct is determined by the appropriate committee or Board to be improper or likely to endanger the welfare, safety, harmony or good reputation of the Club or its members, may be reprimanded, fined, suspended from the Club or restricted from use of Club facilities 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 or its members. The Member or Club Privilege Holder will be responsible for the actions of his Immediate Family, Family Guest or other guest, and the Board, in its discretion, may impose the sanctions in this Section 4.3 against the Member or Club Privilege Holder for the conduct of such persons.
- 4.3.1** Procedure. A Member or Club Privilege Holder shall be notified of any proposed disciplinary action affecting him, his Immediate Family, Family Guest, other guest, and shall be given an opportunity to be heard by the Board to show cause why the Board should not take disciplinary action in accordance with this Section 4.3. Immediate Family, Family Guests and other guests shall not have any right to appear and be heard by the Board. If the Member desires to be heard, the Member must provide a written request for a hearing to the Club's General Manager within seven (7) days

after the date of the Club's notice to the Member of the proposed action. Upon receipt of the written request for a hearing, the Board shall set a time and date for such hearing, which shall in no event be sooner than five (5) days after such request. Depending on the severity of the violation the Board, in its discretion, may suspend the membership/use privileges of the offending Member, designee or Immediate Family member pending a final decision by the Board.

4.3.2 Suspension. The Board may suspend the Member, Club Privilege Holder, and /or any Immediate Family, Family Guest, or other guest from some or all of the privileges of the Club for a period of up to one (1) year if the appropriate committee of the Club and/or the Board determines that the person's conduct was improper or likely to endanger the welfare, safety, harmony or good reputation of the Club or its members. Dues and other financial obligations of the Member to the Club shall accrue during any suspension and must be paid in full when due.

4.3.3 Expulsion by the Board. The Board may expel the Member or Club Privilege Holder for cause deemed sufficient by the Board by a vote of two-thirds (2/3) of all of the directors then serving on the Board. A director who is a witness to the action resulting in the vote, or who has a business or other relationship with the Member or Club Privilege Holder, will not be precluded from participating in the vote to expel the Member or Club Privilege Holder; provided that disclosure of the director's status as a witness or the director's relationship with the Member or Club Privilege Holder is disclosed to the Board prior to the vote. A Member or Club Privilege Holder who is expelled shall immediately forfeit his or her Membership and privileges in the Club, except that an expelled Member shall have the rights to receive payment for his or her Membership in the amount of 50% of the Applicable Refund payable under Section 8.4, with the payment to be made no later than 90 days following the effective date of the Member's expulsion from the Club. The expelled Member or Club Privilege Holder shall remain liable for Membership Obligations, damages and other charges accrued and unpaid up to the date of expulsion, and such amount may be subtracted from the refund due from the Club to the expelled Member under this Section 4.3.3.

ARTICLE 5

PROPERTY RIGHTS

5.1 Use of the Club Property. The property of the Club shall be held and used in promoting the general purposes of the Club declared in its Articles of Incorporation; provided that property donated to the Club shall be used as specifically directed by the donor.

- 5.2 Property Rights of Members. No Member or Club Privilege Holder shall have any vested right in the property, assets, or facilities of the Club, but shall have only the privilege to use and enjoy the property, assets, and facilities owed or allocated to the use of the Club as set forth in and limited by these Bylaws and by the Rules.

ARTICLE 6

MEMBERSHIP OBLIGATIONS

- 6.1 General. The continuing status of a Member or Club Privilege Holder in good standing shall be subject to the timely payment of all Membership Obligations of such individual to the Club.
- 6.2 Membership Contributions. Each Member (except Life Members and Honorary Members) shall be obligated to make a “Membership Contribution” as a condition to becoming a Member. The amount of the Membership Contribution shall be established by the Board from time to time, and shall be the same amount for Resident and Non-Resident Members. Social Members shall also make such Membership Contributions as the Board may establish.
- 6.3 Fees, Dues, Assessments, Charges and Other Obligations. The Board shall establish the fees, dues and assessments (including Special Assessments) required from the Members and Club Privilege Holders for the operation of the Club, as well as billing and payment procedures. The Board may require the payment of dues up to one year in advance. The Board shall determine the appropriate late charges and interest for all monetary obligations not paid when due.
- 6.4 Bonds. Subject to Section 3.3 and Section 3.7, the Club may require each of its Members to purchase one or more Bonds for the purpose of repayment of debt, funding capital improvements or the repurchase of Memberships. A Bond shall not bear interest and shall be reflected on the books of the Club as an obligation to the Member from the Club. Club Privilege Holders shall not be required to purchase any Bonds.
- 6.5 Liability for Property Damage. Each Member and Club Privilege Holder shall be liable for and promptly reimburse the Club for all damage to the property owned or leased by the Club which is negligently or willfully caused by such individual or such individual’s Immediate Family, Family Guests or other guests. Each Member and Club Privilege Holder shall also be liable for any personal injuries or damage to adjacent property he or she causes while using the Club facilities. The Club will not, under any circumstances, be responsible for property of Members, Club Privilege Holders, Immediate Family, Family Guests, visitors, guests, or other persons brought onto the Club property for any purpose whatsoever.
- 6.6 Suspension of Obligation for Payments. The Board may suspend or waive the obligation to pay dues, assessments (including Special Assessments), or other charges otherwise owed to the Club for such time and subject to such terms and

conditions as the Board may deem advisable. Any Member or Club Privilege Holder who believes he or she qualifies for such suspension or waiver shall make an application in writing to the Board. In determining whether to suspend or waive a Member's obligation to pay dues, the Board shall act in its sole discretion and shall not be bound to act in a manner consistent with the past practices, procedures, or standards applied by the Board. The Board shall have the power to establish fines or other appropriate charges for infractions of the Bylaws and Rules.

ARTICLE 7

NO TRANSFER OF CLUB PRIVILEGES; TRANSFER AND CONVERSION OF MEMBERSHIPS

- 7.1** Generally. Except as expressly provided in this Article 7, Memberships and Club Privileges shall not be transferable, and any other transfer or attempted transfer by a Member or Club Privilege Holder shall be deemed a voluntary resignation by the Member under Section 8.1.
- 7.2** No Transfers by Life Members or Club Privilege Holders. Life Memberships and Club Privileges are not transferable, either during the life or upon the death of the Life Member or Club Privilege Holder.
- 7.3** Permitted Transfers and Conversions by Resident Members. In addition to the rights set forth in Sections 7.5.1 and 7.5.2, a Resident Member shall have the rights set forth in this Section 7.3 to transfer a Resident Membership or convert from a Resident Membership to a Non-Resident Membership. However, in connection with a transfer under Section 7.3.2 or 7.3.3: (a) if there is an Applicant Waiting List the Resident Member shall offer the Membership to individuals on the Applicant Waiting List in accordance with the provisions of Section 2.5 before a transfer will be permitted to an individual who is not on the Applicant Waiting List; and (b) if there is no Applicant Waiting List, the Resident Member may transfer the Membership as permitted by Section 7.3.2 or 7.3.3, as applicable, to any individual who is accepted for Membership in accordance with Section 2.4.1.
- 7.3.1** Transfer to the Purchaser of the Member's Property. Notwithstanding anything herein to the contrary, a Resident Member who sells his or her Property may transfer his or her Membership by providing written notice of resignation to the Club, designating the purchaser of the Member's Property as the proposed transferee of the Member's Membership, and stating that such resignation is being effected for purposes of transferring the Membership to the purchaser. The Membership will be deemed resigned unless the new purchaser applies to become a Member in the Club no later than 30 days after the closing of the purchase of the Property, is accepted for Membership under Section 2.4 and the Membership transfer is effective under Section 7.6.

7.3.2 Transfer to Another Property Owner. A Resident Member may transfer his or her membership to another Property Owner in the Subdivision who does not already have a Membership by providing written notice of resignation to the Club designating the Property Owner. The Membership will be deemed resigned to the Club unless the designated Property Owner applies to become a Member in the Club no later than 30 days after the date of the written notice of resignation, provides evidence of Property ownership, is accepted for Membership under Section 2.4 and the Membership transfer is effective under Section 7.6.

7.3.3 Transfer to a Non-Resident. As long as the Non-Resident Membership Limit would not be exceeded by the transfer, a Resident Member may transfer his or her Membership to an individual who is not a Property Owner by providing written notice of resignation to the Club designating the proposed transferee of the Membership. The Membership will be deemed resigned to the Club unless the designated transferee applies to become a Member in the Club no later than 30 days after the date of the written notice of resignation, is accepted for Membership under Section 2.4 and the Membership transfer is effective under Section 7.6. Upon the Membership transfer becoming effective, the transferee of the Membership will become a Non-Resident Member.

7.3.4 Conversion Rights. A Resident Member who ceases to be a Property Owner may retain his or her Membership by converting his or her Membership to a Non-Resident Membership, regardless of whether the conversion would result in the Non-Resident Membership Limit being exceeded. However, if the conversion of a Resident Membership results in the Non-Resident Membership Limit being exceeded, the Club shall not issue any new Non-Resident Memberships, except as set forth in Section 7.5. A Resident Member who ceases being a Property Owner and does not transfer his or her Membership under the provisions of Sections 7.3.1 or 7.3.2 shall notify the Club in writing of the sale by the Member of his or her Property in the Subdivision. Effective as of the closing of the sale, the Resident Membership shall be converted automatically into a Non-Resident Membership, unless the Member elects to resign from the Club as set forth in Section 8.1.

7.4 Permitted Transfers and Conversions by Non-Resident Members. In addition to the rights set forth in Sections 7.5.1 and 7.5.2, a Non-Resident Member shall have the rights set forth in this Section 7.4 to transfer a Non-Resident Membership or convert from a Non-Resident Membership to a Resident Membership. However, in connection with a transfer under Section 7.4.1 or 7.4.2: (a) if there is an Applicant Waiting List the Non-Resident Member shall offer the Membership to individuals on the Applicant Waiting List in accordance with the provisions of Section 2.5 before a transfer will be permitted to an individual who is not on the Applicant Waiting List; and (b) if there is no Applicant Waiting List, the Non-Resident Member may transfer the Membership as permitted by Section 7.4.1 or

7.4.2, as applicable, to any individual who is accepted for Membership in accordance with Section 2.4.1.

7.4.1 Transfer to a Property Owner. A Non-Resident Member may transfer his or her Membership to a Property Owner in the Subdivision by providing written notice of resignation to the Club designating the Property Owner. The Membership will be deemed resigned to the Club unless the designated Property Owner applies to become a Member in the Club no later than 30 days after the date of the written notice of resignation, provides evidence of property ownership, is accepted for Membership under Section 2.4 and the Membership transfer is effective under Section 7.6. Upon the Membership transfer becoming effective, the Property Owner who is the transferee of the Membership will become a Resident Member.

7.4.2 Transfer to a Non-Resident. A Non-Resident Member may transfer his or her Membership to an individual who is not a Property Owner by providing written notice of resignation to the Club designating the proposed transferee of the Membership. The Membership will be deemed resigned to the Club unless the designated transferee applies to become a Member in the Club no later than 30 days after the date of the written notice of resignation, is accepted for Membership under Section 2.4 and the Membership transfer is effective under Section 7.6. Upon the Membership transfer becoming effective, the transferee of the Membership will become a Non-Resident Member.

7.4.3 Conversion to Resident Membership. The Membership of a Non-Resident Member who becomes a Property Owner will be converted to a Resident Membership upon the closing of the purchase of Property by the Member. The Non-Resident Member shall provide written notice to the Club of the closing of the purchase of Property resulting in the Non-Resident Member becoming a Property Owner.

7.5 Permitted Transfers by All Members.

7.5.1 Transfer Upon Death.

- (a) Upon the death of a Member, the Membership held by the decedent may be transferred to the decedent's surviving spouse who is accepted as a Member under Section 2.4, without payment of a Transfer Fee. The surviving spouse shall request such a transfer by notifying the Club in writing and completing the required application for Membership within 90 days following the date of a letter from the Club advising the surviving spouse of the rights under this Section. If the deceased Member was a Resident Member, the surviving spouse will be a Resident Member if the surviving spouse is a Property Owner. Otherwise, the Resident Membership will be converted to a Non-Resident Membership in the same manner as set

forth in Section 7.3.4. If the deceased Member was a Non-Resident Member, the Membership will be a Non-Resident Membership unless the surviving spouse becomes a Property Owner and the Membership is converted to a Resident Membership as set forth in Section 7.4.3.

- (b) If there is no surviving spouse, the spouse elects not to accept a transfer or fails to request a transfer within such period, or the spouse is not accepted as Member under Section 2.4, the deceased Member's name shall be placed on the Resignation Waiting List as set forth in Section 8.2, and the estate of the deceased Member shall not have any obligation to pay any further dues pending the transfer of the Membership as permitted under Section 7.3 or 7.4, as applicable. However, the deceased Member's Immediate Family and Family Guests shall not have any right to use the Club facilities pending the completion of the transfer of the Membership.

7.5.2 Transfer Upon Divorce. If a Member becomes divorced, such Member may, upon written notice to the Club to that effect within 45 days following the divorce, transfer the Membership to the former spouse. The transfer will be subject to acceptance of the former spouse as a Member by the Club under Section 2.4 and payment of the Transfer Fee then in effect, unless waived by the Board in its sole discretion. If the divorced Member was a Resident Member, the former spouse will be a Resident Member if the former spouse is a Property Owner. Otherwise, the Resident Membership will be converted to a Non-Resident Membership in the same manner as set forth in Section 7.3.4. If the divorced Member was a Non-Resident Member, the Membership will be a Non-Resident Membership unless the former spouse becomes a Property Owner and the Membership is converted to a Resident Membership as set forth in Section 7.4.3.

7.5.3 Transfers to Descendants. A Member may elect to transfer his or her Membership on the terms set forth below in this Section 7.5.3 to one or two qualifying Descendants who are accepted for Membership by the Club as set forth in Section 2.4, without payment of a Transfer Fee. The Board, in its sole discretion, may consider permitting a transfer of a Membership to more than two qualifying Descendants upon such terms as the Board, in its discretion, may determine.

- (a) The Member must submit a completed transfer request form to the Club specifying the identity of the proposed transferee(s) and the relationship to the Member.
- (b) Each proposed transferee must complete a Membership application and the transfer will be subject to acceptance by the Club under Section 2.4 and, if applicable, the Non-Resident Membership Limit.

- (c) If approved for Membership, the Descendant Transferee will be a Resident or Non-Resident Member depending on whether the proposed transferee is a Property Owner.
- (d) If the transfer is to one Descendant, the Descendent Transferee will succeed to all of the rights and obligations of the transferring Member, including the right to receive a partial refund of the transferring Member's Membership Contribution as set forth in Section 8.4, and the transferring Member will no longer have any rights or obligations as a Member.
- (e) If the transfer is to more than one Descendant, neither Descendant Transferee shall have any voting rights as a Member and the right of the transferring Member or either Descendant Transferee to receive a partial refund of the transferring Member's Membership Contribution set forth in Section 8.4 will be forfeited and no partial refund will be made as set forth Section 8.4 upon the resignation of either Descendant Transferee. The admission of the second Descendant Transferee as a Member will constitute the issuance of a Membership on the Resignation Waiting List for the purposes of Section 8.2.
- (f) If the transferring Member is age 70 or older and has been a Member for at least five years, upon completion of the transfer of his or her Membership to one or more Descendants, he or she may apply to be designated by the Board as a Club-Designated Club Privilege Holder. The designation of the transferring Member as a Club-Designated Privilege Holder will be subject to approval by the Board.

7.6 Effectiveness of Transfer. Any transfer of a Membership permitted under Section 7.3 or 7.4 shall be effective only upon payment to the Club by the new Member of the Membership Contribution, receipt by the Club of the Transfer Fee and, if applicable, the purchase by the new Member of any outstanding Bonds required by Section 8.6.

ARTICLE 8

RESIGNATION OF MEMBERSHIPS

8.1 Resignation. A Member or Club Privilege Holder may make a written request to the Club at any time to resign his or her Membership or Club Privileges in connection with a transfer permitted under Section 7.5 or otherwise. A written request in connection with the transfer of a Membership permitted under Article 7 may contain a written contingency regarding the resignation not being effective unless and until the requirements for the effective transfer of the Membership are satisfied. In addition, except as expressly permitted in Article 7, any transfer or

attempted transfer of a Membership or Club Privileges or the death of a Member (unless the provisions of Subsection 7.5.1 are applicable) shall be deemed a voluntary resignation by the Member or Club Privilege Holder. Once a Member's resignation is tendered or deemed tendered, the Member shall continue to be responsible for the payment of all Membership Obligations with respect thereto, until the resignation is accepted by the Club or a new applicant for such Membership is admitted as a new Member as set forth in this Article 8.

8.1.1 Action by Board. The Board shall act upon the notice or deemed notice of resignation at its next regular or special meeting, and shall, in the case of Life Members, Honorary Members and Club Privilege Holders, declare the resignation effective upon receipt of payment of all of the resigning person's Membership Obligations outstanding, including dues for every month up to and including the month in which the Board declares the resignation effective.

8.1.2 Effective Time of Resignation. The Board shall declare the resignation of a Resident or Non-Resident Member to be effective (the "Effective Time of Resignation") upon either (i) the admission of a new Member to fill the resigning Member's vacancy and receipt of payment of all the resigning Member's Membership Obligations outstanding, including dues for every month up to and including the month in which the Board declares the resignation effective, or (ii) the decision by the Board to have the Club acquire the Membership as an "Attrited Membership" and to either permanently retire the Membership or hold the Membership "in treasury" (a "Treasury Membership") to be issued or permanently retired at a later date as more specifically set forth in Section 8.1.3. Until the Board declares the resignation to be effective, the Member shall continue to be entitled to Membership rights and responsible for the Membership Obligations.

8.1.3 Attrited Memberships. An Attrited Membership may be held as a Treasury Membership or permanently retired by the Board; provided that no more than 45 Attrited Memberships may be retired by the Club. If the Board elects to permanently retire the Attrited Membership, the Membership Limit shall be reduced accordingly. A Treasury Membership may be issued at such time as the Board determines, in its discretion. If the Board elects to issue a Treasury Membership, the Board shall make the Treasury Membership available to the persons on the Applicant Waiting List as set forth in Section 2.5; provided, however, in no event shall the Club issue a Treasury Membership to an individual in the Non-Resident Category if the number of Non-Resident Members exceeds or would exceed, upon issuance of the Treasury Membership, the Non-Resident Membership Limit.

8.2 Waiting List for Resigning Members. In the event a Member delivers a notice of resignation to the Club (other than in connection with a transfer permitted under Article 7) and the resigning Member's Membership cannot be issued by the Club because there is no applicant for the Membership and the Board, in its discretion,

does not elect to have the Club acquire the Membership as an Attrited Membership under Section 8.1.2, the resigning Member's name will be placed on a waiting list (the "Resignation Waiting List") in the same chronological order as the written requests for resignation are received by the Club, except that the name of a deceased Member whose spouse does not elect to become a Member as set forth in Section 7.5.1(a) shall be placed at the top of the Resignation Waiting List, behind only the names of any previously deceased Members who are on the Resignation Waiting List. The Memberships on the Resignation Waiting List will be issued to applicants for Membership approved pursuant to the provisions of Section 2.4 in the order of priority in which the resigning Members are listed on the Resignation Waiting List. The Board, in its discretion, may establish requirements and procedures for the Resignation Waiting List in addition to the foregoing provisions of this Section 8.2, and may alter these additional requirements and procedures at any time. Subject to the requirements of this Section 8.2, all decisions regarding the Resignation Waiting List shall be made by the Board in its discretion, and no decision by the Board with respect to any person on the Resignation Waiting List shall be binding on the Board with respect to any other person on the Resignation Waiting List.

8.3 Immediate Resignation Alternative. In lieu of placing his name on the Resignation Waiting List, a Member may elect to resign his Membership immediately by written notice to the Board waiving the right to receive his Applicable Refund under Section 8.4. Notwithstanding a waiver of the Applicable Refund, the Member shall remain liable to the Club for payment of all charges and indebtedness owed to the Club through the date of the Board's receipt of the Member's written notice resigning his Membership and waiving his Applicable Refund.

8.4 Partial Refund of Membership Contribution upon Resignation. Except as set forth in Section 8.3, upon a new Member's admission as a Member and payment of the Membership Contribution, the Club shall pay the resigning Member a refund amount (the "Applicable Refund") equal to (i) the Membership Contribution made by the new Member, minus (ii) the applicable Transfer Fee. However, in no event shall the Applicable Refund exceed the resigning Member's Membership Contribution. In addition, the Club shall offset against the Applicable Refund the amount of any outstanding Membership Obligations owing to the Club by the resigning Member.

In the event the Board elects to have the Club acquire the Membership as an Attrited Membership under Section 8.1.2, the Applicable Refund payable by the Club to the resigning Member shall be calculated as set forth above in this Section 8.4 using the then current Membership Contribution required from a new Member.

8.5 Transfer Fees. The Transfer Fee to be used in calculating the Applicable Refund payable to a resigning Member under Section 8.4 shall be an amount equal to the new Member's Membership Contribution multiplied by the percentage specified by the Board at the time of issuance of the resigning Member's Membership.

- 8.6** Bond Purchase of Repayment upon Resignation. If the resignation of the Member is in connection with a permitted transfer or the Membership is being reissued by the Club, the new Member acquiring the Membership shall purchase from the resigning Member any and all Bonds, at face value, issued in connection with such Membership. If the Club elects not to reissue the Membership, the Club shall redeem at face value any Bond issued in connection with the Membership.

ARTICLE 9

BOARD OF DIRECTORS

- 9.1** Powers and Duties. Subject to Section 3.7, the Board shall have full power and authority to do any and all things that it deems to be proper and in the best interests of the Club, including, but not limited to the following matters described in this Section 9.1:
- (a) From time to time to make and change Rules for the management and control of the club and its affairs, and its Members, Club Privilege Holders, officers, employees and agents; provided that the Rules are consistent with applicable law and these Bylaws.
 - (b) To set and adjust hours of Club use and modification of services or facilities without notice or liability for any loss or inconvenience thereby resulting.
 - (c) To fix, from time to time, the amount of the Membership Contributions and Transfer Fees for all classes of Membership or Club Privileges, the amount of regular dues and any other assessments or charges, including Special Assessments, which may be levied by the Club.
 - (d) To lease, purchase, or otherwise acquire, in any lawful manner, for and in the Club's name, any and all real and personal property, rights and privileges whatsoever, which are deemed necessary or convenient for the conduct of the Club's business.
 - (e) To sell or otherwise dispose of any personal property, rights, or privileges belonging to the Club.
 - (f) To enter into agreements and contracts for any lawful purpose, including specifically, an agreement for managing and operating the golf course, club facilities, and other facilities made available to the Members and Club Privilege Holders.
 - (g) To make a commitment or a series of related commitments for capital expenditures in an amount not exceeding \$1.0 million.

- (h) To require the mandatory purchase of a Bond if the aggregate face amount of such Bond, together with all other then outstanding Bonds, does not exceed \$5,000 per Member.
- (i) To borrow money and otherwise to incur indebtedness (other than Bonds), and to evidence such indebtedness by the note of the Club, and to mortgage the property of the Club, and otherwise give security for the payment of such indebtedness, provided that the Members shall have the right to approve any loan that would cause the Club's total indebtedness for borrowed money, excluding Bonds, to exceed \$1.0 million.
- (j) To exercise supervision and control over all officers, committees and employees.
- (k) To appoint and remove any and all officers, employees and agents of the Club, to prescribe their duties and to fix their compensation.
- (l) To appoint standing and special committees to exercise such powers and perform such duties as the Board may delegate specifically; provided, however, that the determination of all matters involving general policy relating to the management and operations of the Club shall be reserved for the entire Board. Each committee shall include one or more directors.
- (m) To amend, alter and repeal these Bylaws or any part thereof, at any regular or special meeting of the Board, except to the extent Member approval is required as described in Section 3.7.
- (n) To exercise, in addition to the powers and authorities expressly conferred upon the Board by these Bylaws, all such other lawful powers of the Club and do all such lawful acts and things in the furtherance of the Club's business, as are not, by statute, the Articles of Incorporation, or these Bylaws, directed or required to be exercised or done by the Members.

Decisions of the Board with respect to matters within the Board's authority shall be final.

9.2 Number and Qualifications. The Board shall be composed of not less than three nor more than nine directors, a majority of whom must be Property Owners, and all of whom must be Members of the Club. (For the purpose of satisfying this ownership requirement, the director may own the property directly or through an entity in which the director holds an ownership interest of 50% or more.) The number of directors shall be determined by resolution of the Board subject to the approval of the Members.

9.3 Tenure of Board Members. Subject to the provisions of these Bylaws regarding resignation and removal, commencing with directors elected at the annual meeting in 2012, directors shall be elected for a term of four years (instead of the three year term for directors elected prior to that meeting) and until their successors have been elected and qualified. The term of the directors elected at an annual meeting shall commence as of October 1 following such meeting and shall end on September 30 four years later. Any person who has served a full term as a director will not be eligible to serve as a director for a consecutive term and will be eligible to serve as a director only after not serving as a director for a period of two years. A person who has filled a vacancy and only served a partial term as a director may be elected to serve as a director for a consecutive term.

9.4 Election of Directors.

9.4.1 Committee. Not later than 60 days prior to the annual meeting of the Members (or other meeting to elect directors), the Board then in office shall appoint a special nominating committee that shall nominate a number of individuals for election, which is not less than the number of directors whose terms are due to expire, plus the number of vacancies among the Board that have not previously been filled.

9.4.2 Nomination. At any time that is not later than 30 days prior to the meeting of the Members set or called to elect the new Board, additional individuals may be nominated for election by means of a written instrument of nomination delivered to the President, signed by not less than 10% of the Members entitled to vote .

9.4.3 Notices Regarding Nomination. Notice of the Board's action to appoint a nominating committee, the date of the meeting set to elect the new Board, and the deadline for submitting additional nominations shall be given to all Members at least 50 days prior to the date of the meeting set or called to elect the new Board. Notice of the persons nominated and the terms proposed for such nominees by the nominating committee or the Board shall be given to the Members at least 15 days prior to the date of such deadline.

9.4.4 Procedures. At the meeting of the Members, the Members entitled to vote shall elect the number of the individuals thus nominated and necessary to fill the available Board positions. If there are more individuals nominated than positions to be filled, then the individuals receiving the greatest number of votes shall be elected, except that if a majority of such individuals are not Property Owners, then the non-property owner(s) receiving the fewest number of votes shall be eliminated and the Property Owner(s) receiving the greatest number of votes shall be elected, such that the composition of the Board complies with Section 9.2.

9.4.5 No Cumulative Voting. Cumulative voting for directors shall not be permitted.

- 9.5** Annual Meeting. The annual meeting of the Board shall be held in the same place as and immediately following the annual meeting of the Members each year. The annual meeting of the Board shall be for the purpose of electing officers, and for the transaction of such other business as may properly come before the meeting.
- 9.6** Special Meetings. Special meetings of the Board may be called at any time by the President or by any three members of the Board. Special meetings shall be held at such time and place as may be designated by the authority calling such meeting. Written notice of the time and place of every meeting shall be given or mailed to each member of the Board at least 10 days before the date fixed for the meeting. Both the business to be transacted at, and the purpose of, any special meeting of the Board shall be specified in the notice of such meeting.
- 9.7** Quorum. A quorum at all meetings of the Board shall consist of a majority of the number of directors then fixed pursuant to these Bylaws. A smaller number may adjourn a meeting of the Board from time to time without further notice until a quorum is secured. Except as provided specifically to the contrary by these Bylaws, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.
- 9.8** Vacancies. Any vacancy occurring on the Board, other than a vacancy resulting from an increase in the number of directors, may be filled by the affirmative vote of at least a majority of the remaining directors, even though less than a quorum of the Board may be present. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.
- 9.9** Removal. Any member of the Board may be removed as follows: (a) by the affirmative vote of two-thirds of the directors then in office whenever in their judgment such removal would serve the best interests of the Club; or (b) by a vote of a majority of the Members then entitled to vote in an election of directors at any meeting of Members following notice indicating the purpose of the meeting.
- 9.10** Action Without a Meeting; Waiver of Notice. Any action required by law to be taken at a meeting of the Board or any committee thereof or any other action which may be taken at a meeting of the Board or any committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors. The consent may be signed in counterparts and a facsimile signature shall be deemed an original with respect to such consent. Attendance of a director at any meeting shall constitute a waiver of notice of the meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- 9.11** Telephonic Meetings. The Board or any members of any committee designated by the Board may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

- 9.12** Compensation. No director shall receive any compensation for serving the Club in such capacity. All directors shall be entitled to reimbursement for reasonable expenses incurred in connection with service to the Club.
- 9.13** Conflicts of Interest. No contract or transaction between the Club and one or more of its directors, or between the Club and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers or have a financial interest, shall be void or voidable solely for that reason or solely because the director or officer is present at or participates in the meeting of the Board which authorizes, approves or ratifies the contract or transaction if the material facts concerning the director's relationship to or interest in the contract or transaction are disclosed; the contract or transaction is fair as to the Club as of the time it is authorized; and the contract or transaction is approved or ratified by the Board or the Members. Interested directors may be counted in determining the presence of a quorum and may vote at a meeting of the Board which authorizes, approves or ratifies the contract or transaction.

ARTICLE 10

OFFICERS

- 10.1** Generally. The officers of the Club shall be a president, one or more vice presidents, a secretary, and a treasurer. The offices of secretary and treasurer, and those offices only, may be held by one person. The Board may appoint such other officers and assistant officers as it may deem advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board. The officers of the Club shall exercise and perform the respective powers, duties, and functions as are stated in this Article 10, and as may be assigned to them by the Board.
- 10.2** President. The President shall be elected from among the members of the Board, shall be the principal executive officer of the Club, and shall, subject to the direction and control of the Board, have general supervision, direction, and control of the business and affairs of the Club and its officers, agents and employees. Such person shall preside at all meetings of the Board and of the Members. The President may sign, with the secretary or other proper officer of the Club designated by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed on behalf of the Club, except in the case where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Club, or shall be required by law to be otherwise signed or executed. The President shall perform all the duties commonly incident to such office and such other duties as the Board shall designate.
- 10.3** Vice President. In the absence or disability of the President, the vice-president or vice-presidents, if any, in the order designated by the Board, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on the President. Each vice-president shall have such

other powers and perform such other duties as may be assigned to such person from time to time by the President or by the Board.

- 10.4** Secretary. The secretary shall keep accurate minutes of the proceedings of the Board, any committee thereof, and the Members; shall see that all notices are duly given in accordance with the provisions of these Bylaws; shall be custodian of the Membership and other records; shall attest the fixing of the seal of the Club when authorized by the Board; and, in general, shall perform all duties incident to such office and such other duties as may from time to time be assigned to such person by the President or by the Board. Assistant secretaries, if any, shall have the same duties and powers subject to the supervision of the secretary.
- 10.5** Treasurer. The treasurer shall be the principal financial officer of the Club; shall have the charge and custody of and be responsible for the collection of all Membership Obligations and for the safekeeping of all funds and securities of the Club; shall deposit such funds in the name of the Club in such depositories as shall be designated by the Board; shall maintain a current schedule of the fees, dues, assessments (including Special Assessments), and charges established by the Board from time to time; shall keep accurate books of account and records of financial transactions and the condition of the Club and shall submit such reports thereof as the Board may from time to time require; and in general, shall perform all duties incident to such office and such other duties as may from time to time be assigned to such person by the President or the Board. With the approval of the Board, the treasurer shall be authorized to engage any firm of certified public accountants to assist the treasurer in the performance of any of the duties incident to the treasurer's office. Assistant treasurers, if any, shall have the same duties and powers subject to the supervision of the treasurer.
- 10.6** Selection and Terms of Officers. All officers shall be appointed by the Board at its annual meeting and shall hold office for a term of one year and until their successors shall be appointed and shall have qualified. The term of the officers shall commence on October 1 following the annual meeting at which they are elected and shall end on September 30 of the following year.
- 10.7** Removal and Vacancies. Any officer or agent appointed by the Board may be removed by the Board whenever in its judgment such removal would serve the best interests of the Club. A vacancy in any office may be filled by the Board for the unexpired portion of the term.

ARTICLE 11

MEMBERSHIP MEETINGS

- 11.1** Annual Meeting. An annual meeting of the Members of the Club shall be held on the first Saturday in July of each year (unless such date is July 4, in which case the meeting shall be held on July 3) at the principal office and place of business of the Club or at such other time and place as the Board may designate. Written notice

stating the place, day, and hour of the annual meeting shall be given in person or mailed to each Member eligible to vote at least 15 days prior to the date fixed for the annual meeting. The annual meeting shall be for the purpose of informing the Members of the status of the affairs and activities of the Club during the preceding year, and for the transaction of such other business as may properly come before the meeting.

- 11.2** Special Meetings. Special meetings of the Members may be called at any time by the President of the Club, by the Board, or by not less than 20% of the total number of Members eligible to vote who are in good standing. Special meetings may be held immediately preceding or following and in the same location as any meeting of the Board or at such other time and place as may be designated by the authority calling the meeting. Written notice of the time and place of every special meeting shall be given in person or mailed to each Member eligible to vote at least 15 days prior to the date fixed for the meeting. The purpose of any special meeting of the Members shall be stated in such notice.
- 11.3** Quorum. A quorum at any annual or special meeting of the Members shall consist of 25% of the total number of Members eligible to vote who are in good standing, present and voting in person or by proxy. Notwithstanding the foregoing, a quorum shall consist of 50% of the total number of Members eligible to vote who are in good standing, present and voting in person or by proxy at any annual or special meeting at which the approval of the Members is sought with respect to the matters described in Sections 3.7(a), (b), (c), (d), (f), or (j), or any amendment to Section 3.7. At any duly called meeting at which a quorum is not present, a smaller number of Members may adjourn the meeting from time to time without further notice until a quorum is secured. The act of a majority of the Members eligible to vote who are in good standing and who are present in person or by proxy at a meeting at which a quorum is present shall be the act of the Members, unless otherwise required by law, the Articles of Incorporation of the Club, or these Bylaws. The Board shall have the right, in its discretion, to specify a larger percentage of the Members for a quorum for any meeting and for approval of any matter requiring the approval of the Members.
- 11.4** Proxy Voting. At any annual or special meeting of the Members, any Member entitled to vote may do so by a written proxy, provided that the executed original of the proxy or a facsimile copy thereof is delivered to the President or secretary of the Club at or before the beginning of such meeting. A Member may revoke any proxy by delivering to the President or secretary of the Club at or before the beginning of the meeting a subsequently dated written proxy or by attending the meeting in person.

ARTICLE 12

CONTRACTS, LOANS, AND DEPOSITS

- 12.1** Contracts. The Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Club, and such authority may be general or confined to specific instances.
- 12.2** Loans. No loans shall be contracted for or on behalf of the Club and no evidence of indebtedness shall be issued in the name of the Club unless authorized by a resolution of the Board. Any loan which, together with other outstanding indebtedness of the Club for borrowed money, would exceed \$1,000,000 shall require approval of the Members pursuant to Section 3.7(h), provided that such amount shall not include indebtedness represented by Bonds required to be purchased by Members. Such authority may be general if confined to a specific dollar limit determined from time to time by resolution of the Board and shall otherwise be confined to specific instances. No loan shall be made by the Club to any officer or director of the Club.
- 12.3** Checks, Drafts, and Notes. All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the Club shall be signed by such officer or officers, agent or agents of the Club, and in such manner as shall from time to time be determined by resolution of the Board.
- 12.4** Deposits. All funds of the Club not otherwise employed shall be deposited from time to time to the credit of the Club in such banks, trust companies, or other depositories as the Board may select.

ARTICLE 13

INDEMNIFICATION

- 13.1** Definitions. For the purposes of this Article 13, the following terms shall have the meanings set forth below:
- “Action” shall mean any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitative, or investigative.
- “Derivative Action” shall mean any action by or in the right of the Club to procure a judgment in its favor.
- “Third Party Action” shall mean any action other than a derivative action.
- “Indemnified Party” shall mean any person who is or was a party or is threatened to be made a party to any action by reason of the fact that he or she is or was a director, officer, employee, fiduciary, or agent of the Club.

- 13.2** Third Party Actions. The Club shall indemnify any Indemnified Party against expenses (including attorney fees), judgments, fines, excise taxes, and amounts paid in settlement actually and reasonably incurred by such party in connection with any Third Party Action if, as determined pursuant to Section 13.5 below, (i) the party acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Club, or (ii) with respect to any criminal action, had no reasonable cause to believe his or her conduct was unlawful. The termination of any Third Party Action by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create either a presumption that the Indemnified Party (i) did not act in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Club, or (ii) with respect to any criminal action, had no reasonable cause to believe his or her conduct was unlawful.
- 13.3** Derivative Actions. The Club shall indemnify any Indemnified Party against expenses (including attorney fees) actually and reasonably incurred by such party in connection with the defense or settlement of any Derivative Action if, as determined pursuant to Section 13.5 below, the party acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Club, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person is or has been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Club, unless, and only to the extent that, the court in which such action was brought determines upon application that, despite the adjudication of liability and in view of all circumstances of the case, such Indemnified Party is fairly and reasonably entitled to indemnification for such expenses which such court deems proper. If any claim that may be made by or in the right of the Club against any person who may seek indemnification under this Article 13 is joined with any claim by any other party against such person in a single action, the claim by or in the right of the Club (and all expenses related thereto) shall nevertheless be deemed the subject of a separate and distinct derivative action for purposes of this Article 13.
- 13.4** Success on Merits or Otherwise. If and to the extent that any Indemnified Party has been successful on the merits or otherwise in defense of any action referred to in Section 13.2 or 13.3 herein, or in defense of any claim, issue, or matter therein, such party shall be indemnified against expenses (including attorney fees) actually and reasonably incurred by him or her in connection therewith without the necessity of any determination that such party has met the applicable standards of conduct set forth in Section 13.2 or 13.3 herein.
- 13.5** Determination. Except as provided in Section 13.4, any indemnification under Section 13.2 or 13.3 herein (unless ordered by a court) shall be made by the Club only upon a determination that indemnification of the Indemnified Party is proper in the circumstances because he or she has met the applicable standards of conduct set forth in said Sections. Any indemnification under Section 13.3 herein (unless ordered by a court) shall be made by the Club only upon a determination by the Club of the extent to which the Indemnified Party had been or would have been

successful on the merits or otherwise. Any such determination shall be made (i) by a majority vote or a quorum of the whole Board consisting of directors who are not or were not parties to the subject action, or (ii) upon the request of a majority of the directors who are not or were not parties to such action, or, if there be none, upon the request of a majority of a quorum of the whole Board, by independent legal counsel (which shall not be the counsel generally employed by the Club in connection with its corporate affairs) in a written opinion, or (iii) by the Members of the Club at a meeting called for such purpose.

- 13.6** Payment in Advance. Expenses (including attorney fees) or some part thereof incurred by an Indemnified Party in defending any action, shall be paid by the Club in advance of the final disposition of such action if a determination to make such payment is made on behalf of the Club as provided in Section 13.5 herein; provided that no such payment may be made unless the Club shall have first received a written undertaking by or on behalf of the Indemnified Party to repay such amount unless it is ultimately determined that he or she is entitled to be indemnified by the Club as authorized in this Article 13.
- 13.7** Period of Indemnification. Any indemnification pursuant to this Article 13 shall be applicable to acts or omissions which occurred prior to the adoption of this Article 13, shall continue as to any Indemnified Party who has ceased to be a director, officer, employee, or agent of the Club, and shall inure to the benefit of the heirs and personal representatives of such Indemnified Party. The repeal or amendment of this Article 13 or of any Section or provision herein that would have the effect of limiting, qualifying, or restricting any of the powers or rights of indemnification provided or permitted in said Article shall not, solely by reason of such repeal or amendment, eliminate, restrict, or otherwise affect the right of indemnification of such person, with respect to any acts or omissions that occurred prior to such repeal or amendment.
- 13.8** Insurance. By action of the Board, notwithstanding any interest of the directors in such action, the Club may purchase and maintain insurance, in such amounts as the Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against her and incurred by her in her capacity of or arising out of her status as an agent of the Club, whether or not the Club would have the power to indemnify her against such liability under applicable provisions of law.
- 13.9** Right to Impose Conditions to Indemnification. The Club shall have the right to impose, as conditions to any indemnification in this Article 13, such reasonable requirements and conditions as the Board or Members may deem appropriate in each specific case and circumstance, including, but not limited to, any one or more of the following: (i) that any counsel representing the person to be indemnified in connection with the defense or settlement of any Action shall be counsel that is mutually agreeable to the person to be indemnified and to the Club; (ii) that the Club shall be subrogated, to the extent of any payments made by way of indemnification, to all of the Indemnified Party's right of recovery, and that the person to be indemnified shall execute all writings to do everything necessary to

assure such rights of subrogation to the Club; and (iii) that the Club shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated, or threatened against the person to be indemnified.

- 13.10** Other Indemnification. The indemnification provided by this Article 13 shall not be deemed exclusive of any other rights to which any person may be entitled under the Articles of Incorporation, any agreement, any other provision of these Bylaws, vote of the Members or disinterested directors, or otherwise, and any procedure provided for by any of the foregoing, both as to action in the person's official capacity and as to action in another capacity while holding such office.

ARTICLE 14

MISCELLANEOUS

- 14.1** Non-Discrimination. All Members and Club Privilege Holders shall be treated on a consistent basis without discrimination between Members or holders of the same class of Membership or Club Privilege and in compliance with the terms hereof and the Articles of Incorporation of the Club.
- 14.2** Fiscal Year. The fiscal year of the Club shall begin on January 1 of each year and end on December 31 of the same year.
- 14.3** Amendments. These Bylaws may be amended, altered, or repealed and new bylaws may be adopted by the Board, provided that the full text of the proposed amendment shall have been delivered to each director at least 10 days prior to the meeting at which the proposed amendment or repeal will be presented to the Board for action, and provided further that any Bylaw provision which requires that action be approved by the Members, may not be amended, altered, or repealed without the approval of the Members.
- 14.4** Interpretation. These Bylaws are adopted for the sole purpose of facilitating the discharge, in an orderly manner, of the purposes of the Club. These Bylaws shall never be construed in any such way as to impair the efficient operation of the Club. The interpretation of these Bylaws shall rest with the Board. Whenever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in either the masculine, the feminine or the neuter gender shall include the masculine, feminine and neuter.
- 14.5** Dissolution. Upon dissolution or other termination of the Club, any assets remaining after all debts of the Club have been paid shall be disposed of as provided in the Articles of Incorporation.
- 14.6** Notices. The Club shall keep records of the addresses, including email addresses, of all Members and Club Privilege Holders, and each such Member and Club Privilege Holder shall promptly notify the Club of any change of address. Whenever any notice is required or permitted to be given to a Member or Club

Privilege Holder pursuant to law or these Bylaws, that notice shall be deemed properly given when sent by the Club by email to the last email address for the Member or Club Privilege Holder shown in the Club's records, or upon deposit by the Club in the United States mail, postage prepaid, addressed to such Member or Club Privilege Holder at his or her last address shown in the Club's records.

14.7 Severability. The severability of any provision of these Bylaws shall not affect the other provisions herein, and in such event these Bylaws shall be construed in all respects as if such invalid provision were omitted.

14.8 Dispute Resolution. Without limiting the authority of the Board under these Bylaws, including, without limitation, the right of the Board under Section 14.4 to interpret these Bylaws or the right of the Board to exercise its discretion as set forth herein, all disputes between any Member or Club Privilege Holder, on the one hand, and the Club (including the Board or any officer), on the other hand, shall be resolved in accordance with the alternative dispute resolution procedures set forth in Exhibit A attached to these Bylaws and incorporated herein by this reference.

EXHIBIT A

COUNTRY CLUB OF THE ROCKIES, INC. DISPUTE RESOLUTION PROCEDURES

Any dispute, controversy or claim (“Dispute”) between a Member or Club Privilege Holder, on the one hand, and the Club (including the Board or any officer), on the other hand, with respect to the application of the Bylaws, the Rules or otherwise concerning the rights and obligations of the Member or Club Privilege Holder shall be resolved as set forth in this **Exhibit A**, and each Member, Club Privilege Holder and the Club irrevocably waives the right to commence any legal or equitable action or proceeding in any federal or state court with respect to any Dispute.

1. Mediation. The Dispute must first be submitted to mediation as set forth in this paragraph 1. Either the Board, on the one hand, or the Member or Club Privilege Holder, as applicable, on the other hand, may initiate the mediation by giving written notice (a “Mediation Notice”) to the other party. Immediately following the giving of a Mediation Notice, the parties to the Dispute will undertake to agree upon a mediator to assist in resolution of such Dispute. However, if within fifteen (15) consecutive, calendar days of the giving of a Mediation Notice, the parties have not agreed upon a mediator, either party may request appointment of a mediator by the Judicial Arbitrator Group, Inc. (“JAG”) in Denver, Colorado. The fees of the mediator and other costs of the mediation will be shared equally by the parties.

2. Arbitration. If the parties fail to reach a resolution or settlement of the Dispute within a period of thirty (30) days after the appointment of the mediator as set forth in paragraph 1, the Dispute must be resolved by binding arbitration, unless otherwise agreed in writing by the parties.

(a) Arbitration Notice. Either the Member or Club Privilege Holder, as applicable, or the Club, may at any time initiate the arbitration proceeding by giving a written notice of arbitration (the “Arbitration Notice”) to the other party to the Dispute. The Arbitration Notice must contain a statement of the Dispute in sufficient detail to apprise the other party of (i) the nature and scope of the Dispute, (ii) the initiating party’s position and (iii) the relief sought. Within 30 days after receipt of the Arbitration Notice, or within such other period of time as the parties may agree, the other party must deliver its response to the initiating party (the “Answer”), which will contain its statement of the Dispute, its positions and any counterclaims that it seeks. The initiating party will then have 20 days, or such other period of time as the parties may agree, to deliver its response (the “Reply”) to any counterclaim raised in the Answer. No amendments to the Notice, Answer or Reply will be permitted without the consent of the other party or of the arbitrator. Upon the appointment and acceptance of the arbitrator, a copy of the Arbitration Notice, Answer and Reply will be given to the arbitrator promptly as they become available.

(b) Selection of an Arbitrator. There will be one arbitrator, who must be a retired judge or an attorney who has practiced commercial law for at least 20 years. If, within 20 days after the Arbitration Notice provided for in paragraph 2(a), the parties to

the Dispute have been unable to agree upon a mutually acceptable arbitrator, they will request that JAG (or if it is unwilling or unable to arbitrate the Dispute, then the American Arbitration Association) appoint an arbitrator and conduct the arbitration. Any person appointed by the parties or JAG as the mediator under paragraph 2 will not be eligible to be appointed as the arbitrator.

(c) Failure to Participate. If a party, having been given notice and opportunity, fails or refuses to appear or participate in an arbitration or in any stage of the arbitration, the proceedings will nevertheless be conducted to conclusion and final award. Any award rendered under such circumstances will be as valid and enforceable as if all parties had appeared and participated fully at all stages of the arbitration.

(d) Place of Arbitration. The place of arbitration will be in Denver, Colorado, as selected by the arbitrator, unless the parties otherwise mutually agree in writing.

(e) Confidentiality of Mediation and Arbitration Proceedings. The parties and the arbitrator will treat as confidential all aspects of the mediation and arbitration proceedings (including the pleadings, discovery, testimony, evidence, briefs and the award), unless the parties otherwise agree in writing.

(f) Preliminary Meeting. The arbitrator will hold a preliminary meeting with the parties, at a time and place determined by the arbitrator, for the discussion of procedural matters (prior to the issuance of such procedural directives by the arbitrator) and for discussion of such other matters as the arbitrator may determine.

(g) Procedures. Unless otherwise agreed by the parties, the procedures established by the arbitrator for the arbitration proceeding will provide for the submission of briefs by the parties, the introduction of documents and the oral testimony of witnesses, cross-examination of witnesses, oral arguments, the closure of the proceedings and such other matters as the arbitrator may deem appropriate. The arbitrator will regulate all matters relating to the conduct of the arbitration (including any resort to a court for provisional remedies), the enforcement of any award, and any other question of arbitration law or procedure in accordance with this Agreement and as otherwise provided in the Colorado Arbitration Act (the "Act").

(h) Discovery. Discovery will be handled expeditiously, and the arbitrator will define the limits of discovery, including the number of depositions that may be taken, after considering the complexity of the issues and the amount in controversy. Discovery procedures available in litigation before the courts will not apply in an arbitration conducted pursuant to these Bylaws. However, each party will produce relevant and non-privileged documents (or copies of such documents) as requested by the other party. All disputes regarding discovery will be promptly resolved by the arbitrator.

(i) Affidavits. Each party may submit evidence in the form of sworn affidavits, but, upon the request of any other party, the party submitting the affidavit will make the affiant available for cross-examination. If the affiant is not made available for cross-examination, the affidavit will not be considered as evidence by the arbitrator unless the

arbitrator finds that the affiant is beyond the control of the party offering the affidavit or the affiant is unavailable, and the interests of justice require consideration of the evidence submitted by the affiant.

(j) Time of Proceedings. It is the intent of the parties that, barring extraordinary circumstances, any arbitration will be concluded within 90 days after the date the Arbitration Notice is received by the arbitrator. The arbitrator will use his or her best efforts to issue the final award or awards within a period of 30 days after closure of the proceedings (but failure to do so will not be a basis for challenging the award).

(k) Written Opinion. Any award or portion of an award, whether preliminary or final, will be in a writing signed by the arbitrator and will state the reasons upon which the award or portion of the award is based.

(l) Entry of Judgment. Judgment on the arbitration award may be entered in any federal or state court having jurisdiction and application may be made by a party to any court of competent jurisdiction wherever situated for enforcement of any judgment and the entry of whatever orders are necessary for such enforcement.

(m) Governing Law. The arbitrator's decision will be made pursuant to the relevant substantive law of the State of Colorado.

(n) Costs. All fees and expenses of the arbitration relating to the arbitrator, secretarial and stenographic or other assistance, rental of space and other direct expenses (as determined by the arbitrator) will be paid by the parties in equal shares. The arbitrator will notify the parties, from time to time, of estimated amounts to be advanced in order to meet all such anticipated expenses, and each party will advance its share promptly. Other fees and expenses of the arbitration (including attorneys' fees, the fees of accounting, actuarial or other experts, and the cost of bonds) will be paid by the party incurring them, but the party prevailing on substantially all of its claims will be entitled to recover such fees and expenses from the other party unless the arbitrator specifically determines otherwise in the interests of fairness.

(o) Expeditious Proceeding. The parties desire that any arbitration proceed expeditiously (subject to the needs and procedures of the arbitrator). The parties instruct the arbitrator to impose reasonable sanctions to insure that the arbitration proceeds expeditiously. The parties will make a good-faith effort to cause no unnecessary delays or obstacles to the arbitration process.

3. Time and Notice. All notices, requests, demands, claims, and other communications under this Exhibit A must be in writing and must be given (a) if to the Member or Club Privilege Holder, to the address of the Club Member or Club Privilege Holder in the records maintained by the Club, and (b) if to the Club, to the attention of the General Manager at the Club's address. All notices will be deemed given and received when hand delivered (including any delivery by overnight courier) or three days after mailing by certified mail, with postage prepaid.

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