

Bylaws
of the
Santa Rosa Golf and Beach Club

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ARTICLE I - NAME AND LOCATION

Section 1: Name

Rev. 09/09

The name of the Corporation is Santa Rosa Golf and Beach Club, Inc.(The Club)

Section 2: Location

The principal office of the Corporation shall be located upon club property in Santa Rosa Beach, Walton County, Florida.

ARTICLE II - MEMBERSHIP

Section 1: Eligibility

Rev. 09/09

Equity Membership in the Corporation may be held and owned by the incorporators and such other natural persons who must be approved for Membership by the Corporation's Board of Directors. No person may own more than one (1) Membership in the Corporation. The Corporation may own multiple Equity Memberships for the purpose of resale only.

Section 2: Application for Membership

Rev. 09/09

Applicants desiring Membership in the Corporation shall be required to:

- (a) Secure the sponsorship of two (2) current Members.
- (b) Complete and submit to the Secretary of the Corporation the Membership Application form of this Corporation and complete and sign a release for a background and credit check.

Section 3: Approval of Membership

Rev. 09/09

Membership in the Santa Rosa Golf and Beach Club, Inc. shall be approved by the Board of Directors and shall conform to the rules established under Title VI of the Civil Rights Act of 1964.

Section 4: Spousal, Significant Other and Family Privileges

Rev. 01/11

All Memberships shall be held in the name of one person, the Member. A Member's spouse, significant other, or unmarried children under the age of 24 years, may use the club's facilities and generally enjoy the same privileges as the Member, as long as those persons share a principle residence with the Member. These privileges may be limited by other provisions in these Bylaws and the rules and regulations of the Corporation.

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Significant other is defined as an unmarried, cohabitating adult in a relationship similar to marriage.

Section 5: Types of Membership

Rev. 01/11

There are two types of voting Memberships, Equity and Regular. Social or any other type of Membership has no voting rights.

- (a) EQUITY MEMBERSHIP is a Membership purchased by a natural person who shall enjoy the privileges of the Club in accordance with the dues schedule established by the Board of Directors. The Equity Member shall have the right to vote on all matters, and shall have an interest in the property of the Corporation as set forth in Article IX of the Articles of Incorporation. Such Membership shall terminate upon the resignation or death of the Member unless it is passed on to a surviving spouse or significant other.
- (b) REGULAR MEMBERSHIP is a Membership held by a Member in good standing as of July 5, 1986 who did not purchase an Equity Membership under the terms of purchase offered by the Corporation, who shall enjoy all of the privileges of the club, who shall have limited voting rights and whose Equity interest in the property of the Corporation shall be limited as set forth in Article IX of the Articles of Incorporation. Such Membership shall terminate upon the resignation or death of the Member unless it is passed on to a surviving spouse or significant other. When there are no longer active Regular Members in the Club all reference to this type of Membership shall be removed from the bylaws.
- (c) SOCIAL MEMBERSHIP is a Membership for which an initiation fee has been paid by the Member who shall enjoy the facilities of the club, who shall pay all use fees at the same rate as paid by guests of Equity Members, who shall have no voting rights and who shall have no equity interest in the property of the Corporation. Such Memberships shall terminate upon the resignation or death of the Member unless it is passed on to a surviving spouse or significant other.
- (d) All other types of Membership will be decided from time to time and as market conditions dictate by the Board of Directors.

Section 6: Family Use of Memberships

A Member's spouse and unmarried children under the age of twenty four (24) years, whose principal residence is with a parental Member, may use the club's facilities as Members, subject to the rules and regulations of the Corporation.

Section 7: Converting Memberships

Rev. 01/11

Memberships may be converted from one type to another type Membership at the discretion of the Board of Directors.

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Section 8: Membership Certificates

Rev. 01/11

A Certificate of Membership shall be prepared for, and delivered to, each Member. The certificate shall include the name of the Member, the type of Membership and the date of issuance. Replacement certificates shall be issued by the Corporation to Members providing written notice of loss or destruction of their certificate.

Section 9: Membership Book

Rev. 01/11

A Membership Book in any commonly used and acceptable media shall be maintained as part of the records of the Corporation. The Membership Book shall contain a current list of Members by type of Membership, including current mailing addresses. The Membership Book shall also include the date of issuance of Membership Certificates and, if applicable, the names of spouses or significant others.

Section 10: Membership Limits

Rev. 01/11

The number of Memberships in the Corporation shall be limited as follows:

- (a) The total number of EQUITY MEMBERSHIPS shall not exceed four hundred (400). Amendment of this subsection of the bylaws shall require approval by two-thirds (2/3) of the Equity Members.
- (b) The total number of Members in each type other than Equity will be decided from time to time by the Board of Directors.

Section 11: Price of Membership in the Corporation

Rev. 01/11

- (a) The price of an EQUITY MEMBERSHIP shall be established from time to time as market and Club conditions require, by the affirmative vote of a majority of the Board of Directors. The proposed price must thereafter be ratified by a 60% majority of all eligible ballots received when at least 50% of the Equity Members vote. If ratified, the revised price shall become effective 10 days after the date of such ratification.
- (b) The price of all other categories of Membership will be set by the Board of Directors.

Section 12: Resignation of a Member

Rev. 01/11

- (a) An Equity Member may resign from Membership by delivering to the Secretary of the Corporation a written letter of resignation together with the Equity Membership certificate and payment of any unpaid dues and/or assessments and Club accounts. The effective date of the resignation will be the last day of the month in which the letter of resignation is received. On the effective date, the resigning Member shall enjoy none of the privileges of Membership.

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- (b) Members in all types of Membership other than Equity may resign by delivering to the Secretary of the Corporation a written letter of resignation together with payment of any unpaid dues and Club accounts. The effective date of any such resignation shall be the last day of the month in which such resignation is delivered to the Secretary.
- (c) There shall be no payment made by the Club upon the resignation or death of a person holding in any type of Membership except Equity.

Section 13: Transfer of Equity Membership

Rev. 01/11

- (a) In the event of divorce or legal separation of Equity Members, the spousal Membership shall cease and sole ownership of the Equity Membership shall devolve upon one, and only one, of the ex-spouses. Under no circumstances shall the Equity Membership be divided or apportioned between the spouses, and only one Equity Membership shall survive the occurrence. Ownership of the Equity Membership shall be as provided by order of court or by written mutual agreement between the spouses until ownership is thereby established. The Membership privileges of both spouses may be suspended by the Board of Directors. Upon confirming ownership of the Equity Membership by one of the ex-spouses, the membership privileges of the other ex-spouse shall terminate.
- (b) At the death of a married Equity Member, the Equity Memberships shall transfer to the surviving spouse, if any, by right of survivorship, at no charge to the surviving spouse.
- (c) An Equity Membership may be given to a Member's child or grandchild, or may be bequeathed, provided that:
 - 1. The transferee is approved for Membership by the Board of Directors.
 - 2. In the case of a bequest, appropriate evidence of the right to the inheritance is provided.
 - 3. Payment is made of unpaid dues, Club accounts and assessments.
 - 4. Payment is made of an administrative fee, to be established by the Board, at no more than ten (10) percent of the price of an Equity Membership prevailing at the time.
- (d) Equity Membership may not be held by any person who has not previously been approved for Membership in the Club by the Board.
- (e) No creditor of an Equity Member may acquire any interest in any Equity Membership by voluntary or involuntary transfer, nor acquire any right to Membership privileges by means of an attempted transfer.

Section 14: Sale of Equity Membership

Rev. 01/13

- (a) An Equity Member who has resigned from the Club in accordance with Article II, Section 12, Paragraph (a), shall receive 50% of the prevailing price of Equity Membership at the time when the membership is sold but not more than 50% of the price originally paid for the Membership.

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ARTICLE III - MEETINGS OF MEMBERS

Section 1: Annual Meeting

Rev. 01/16

The Annual Meeting of the Members of the Corporation will be held each year in April. The purpose of the Annual Meeting shall be to elect directors and to vote on only those proposals which have been listed on the agenda and the proxy ballots for that Annual Meeting.

A Member in good standing may place an item of business on the agenda of an Annual Meeting by submitting a written request to the Secretary of the Corporation prior to February 15th of the year of the meeting. All such requests must include:

- (a) The name of the Member making the request.
- (b) A brief statement of the subject to be covered.
- (c) The full text of any motion to be offered.

A Member in good standing may introduce a subject, and request a nonbinding advisory vote of the Membership at an Annual Meeting without prior notice.

Section 2: Special Meetings

Special meetings of the Members of the Corporation may be called to vote on only those proposals which have been listed on the agenda and the proxy ballot for the special meeting and may be called by:

- (a) The President of the Corporation.
- (b) A majority of the Board of Directors.
- (c) Petition signed by twenty five percent (25%) of the Equity Members of the Corporation.
- (d) Petition signed by twenty five percent (25%) of the total Membership of the Corporation.

Section 3: Place of Meetings

All meetings of Members shall be held in the clubhouse of the Corporation unless the clubhouse is unusable at the time of the scheduled meeting, in which circumstance the notice of meeting shall include the alternate location and the circumstance which requires the alternate location.

Section 4: Notice of Meeting of Members

Rev. 09/09

Written or electronic notice of a meeting of Members shall be delivered to each Member not less than fifteen (15) days before, and not more than forty-five (45) days before the scheduled date of the meeting. The notice of special meeting shall include:

- (a) The date, time and place of the meeting, and
- (b) An agenda of the business to be conducted, and

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- (c) A description of all propositions to be voted upon, and
- (d) A proxy ballot which includes the names of all candidates nominated for the Board of Directors and all propositions to be voted upon.

Written notice shall be deemed to be delivered when deposited in the U. S. mail addressed to the Member at the address listed in the Membership book of the Corporation, with postage paid.

Section 5: Quorum for Meeting of Members

A Members meeting quorum shall be forty percent (40%) of the Members eligible to vote (Article II, Section 4) present in person or by proxy. If a quorum is present at the beginning of a meeting of Members, the affirmative vote of a majority of the Members voting thereafter shall be the act of the Members, unless a greater number of affirmative votes is required by law, the Articles of Incorporation or these bylaws. If less than a quorum is present at the beginning of a meeting, a majority of those present in person may adjourn the meeting until a specific date and time, when the meeting may be reconvened without notice. At such reconvened meeting, provided that a quorum is present at the beginning of the reconvened meeting, any and all business listed on the original agenda may be conducted as it would have been at the original scheduled meeting.

EQUITY MEMBERS' meeting quorum shall be the same as provided above, except that only Equity Memberships shall be considered.

Section 6: Members Entitled to Vote at Meetings of Members

Rev. 09/09

Each Equity & Regular Member (Article II, Section 4), shall be entitled to one (1) vote for each proposition and Board of Director seat to be filled, except that in matters affecting the value or obligations of the equity interest only those Members in good standing, holding EQUITY MEMBERSHIP, may vote. Cumulative voting shall not be allowed. Proxy balloting shall be allowed, provided that a proxy is delivered to the Secretary of the Corporation prior to the Annual Meeting in order for the proxy vote to be counted.

Section 7: Order of Business for Meetings of Members

Rev. 09/09

The normal order of business at any meeting of Members shall be:

- (a) Call to order
- (b) Reading of notice of meeting and proof of mailing
- (c) Certification of proxies, ballots and confirmation of a quorum
- (d) Reading and disposition of prior meeting minutes
- (e) Reports of officers, directors and committees

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- (f) Unfinished business
- (g) New business
- (h) Voting on proposals and propositions
- (i) Election of Directors (Annual Meeting only)
- (j) Adjournment

However, in the absence of a successful challenge, the chairperson may vary the order of business.

Section 8: Parliamentary Authority

The parliamentary authority for the Corporation shall be Robert's Rules of Order, latest edition, and these shall govern unless in conflict with these bylaws or the Articles of Incorporation, in which case the latter shall govern.

ARTICLE IV - BOARD OF DIRECTORS

Section 1: Duties

The Board of Directors shall conduct, and be responsible for, the business affairs of the Corporation as limited in Article VI of these bylaws.

The Board of Directors shall maintain a "Corporate Operations Policy Manual" which shall include, but not be limited to, a list of current policies and procedures and a list of current standing committees noting their respective responsibilities.

Section 2: Number of Directors

Rev. 01/11

The Board of Directors shall consist of nine (9) persons, all of whom must hold Regular or Equity Membership in the Corporation and be a Member in good standing. These persons must be either the named Member, or spouse or significant other but not both.

Section 3: Nomination of Directors

Rev. 01/11

There shall be two methods for nominating candidates for Director.

- (a) Each year the President shall appoint, with the advice and consent of the Board of Directors, a nominating committee consisting of five Members, only two of whom may

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be incumbent Directors. The nominating committee shall be specifically charged with the responsibility of seeking out, encouraging and nominating those Members who are best qualified to serve as Directors. On or before December 15th of each year the nominating committee shall deliver to the Secretary of the Corporation a list of nominees to be elected at the next Annual Meeting of Members.

- (b) A Member may be nominated by delivering to the Secretary of the Corporation on or before January 15th a nominating petition signed by at least thirty-five (35) Members of the Corporation who are entitled to vote at an Annual Meeting of Members. Note that one signature will be disqualified if a Member and the spouse or significant other of that Member sign a petition for the same nominee. The names of the candidates for Director who have been so nominated shall be printed on the ballots to be used at the next Annual Meeting. Nominations from the floor shall not be accepted.

Section 4: Election of Directors

Those candidates receiving the greatest number of votes at the Annual Meeting shall be elected Directors. In the event that a tie vote affects the outcome of an election, there shall be a runoff between the tied candidates, with those Members present in person and by proxy voting.

Section 5: Term of Directors

Rev. 10/03

The full term of office for a Director shall be three (3) years, and no more than three (3) full-term Directors shall be elected at an Annual Meeting of Members. A Member who has been elected and has served on the Board of Directors for two consecutive terms (6 years) shall not be eligible to serve again for at least 1 full year. Each Director shall hold office until a successor has been elected. In any year in which four or more Directors are being elected at the Annual Meeting, positions will be filled by those elected in descending order of votes so that the fourth, or subsequent, position will fill the unexpired or partial term of a previous Director.

Section 6: Filling Vacant Directorships

Any vacancy on the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors, even if less than a quorum of Directors remains on the Board.

A Director so appointed by the Board of Directors shall serve only until the next Annual Meeting of Members, at which meeting the Members shall elect a Director to serve any remainder of the three (3) year term.

Section 7: Resignation of a Director

Any Director may resign from the Board of Directors by submitting a written letter of resignation to the Secretary of the Corporation. Such a resignation shall be effective on the date stated in the letter of resignation, and if no date is stated, the resignation shall be effective upon receipt by the Secretary.

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Section 8: Removal of a Director from Office

Rev. 09/09

Any Member of the Board of Directors who is absent from four consecutive regular monthly meetings of the Board of Directors or is absent from more than six regular monthly meetings in any twelve months period shall be removed from the Board of Directors without prejudice. If and when either of the two aforementioned situations occur the Secretary of the Corporation shall notify the affected Director and the remaining Members of the Board of Directors. Thereupon, the affected Director will have been removed from office without further action and without prejudice.

Any Member of the Board of Directors may be removed from office for cause by a majority vote of the Members eligible to vote, present in person or by proxy, at any properly called meeting of Members when a quorum is present, provided that Article III, Section 4 of these bylaws has been complied with in every detail. A Director being considered for removal shall be given an opportunity to present his or her case in the mailing for the vote or in person at the meeting.

Section 9: Organizational Meeting of the Board of Directors

Rev. 09/09

Within fourteen (14) days after an Annual Meeting of Members the Board of Directors shall meet for the purpose of electing officers, establishing a regular monthly meeting schedule and transacting such other business that may properly come before the meeting. Notice of the organizational meeting to the Directors may be by word of mouth, telephone, telegram, e-mail or facsimile and shall be conspicuously posted in the clubhouse, locker rooms, Beach Club, business office and pro shop. The first order of business shall be the election of a President. The organizational meeting may serve as the regular monthly meeting for the month of March.

Section 10: Regular Meetings of the Board of Directors

Rev. 02/00

The Board of Directors shall meet at least once each month in accordance with the schedule established at the organizational meeting. No notice of meeting shall be required for meetings held as scheduled.

The President, or a majority of the Directors, may reschedule a meeting for cause, in which case notice to the Directors of the rescheduling may be by word of mouth, telephone, e-mail or fax. Notice to the general Membership shall promptly and conspicuously be posted in the clubhouse, locker rooms, business office and pro shop.

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Section 11: Special Meetings of the Board of Directors

Rev. 2/00

Special meetings of the Board of Directors may be called by the President, and shall be called by the President upon the request of any three (3) Directors. Special meetings of the Board of Directors may be called for any purpose or purposes, provided that notice of such special meeting shall be given at least seventy two (72) hours in advance of the meeting and that the purpose of the meeting be stated in the notice of meeting. Notice to the Directors may be by word of mouth, telephone, e-mail or fax. Notice to the general Membership shall be by conspicuously posting in the clubhouse, pro shop, locker rooms and business office.

Section 12: Waiver of Notice of Board of Directors Meetings

Rev. 09/09

The attendance by a Director at a Board of Directors meeting shall constitute waiver of notice of the meeting to that Director.

Section 13: Open Meetings of the Board of Directors

Rev. 09/09

Meetings of the Board of Directors shall be open for the general Membership to observe, except when, upon the approval of two-thirds (2/3) of the Directors present, the Board of Directors may meet in Executive session for the purpose of discussing personnel, Membership disciplinary actions, land acquisition or litigation. Participation by the general Membership shall be controlled by the chairman of the meeting or a majority of the Directors present.

Section 14: Quorum for Meetings of the Board of Directors

A majority of the Board of Directors shall constitute a quorum. If less than a majority of the Board of Directors is present for a meeting, a majority of those Directors present may adjourn the meeting until a specific date and time, in which situation notice of the rescheduled meeting must be given as for a special meeting of the Board of Directors (Section 10 of this Article).

Section 15: Act of the Majority of Directors

Rev. 09/09

If a quorum is present, the affirmative vote of a majority of the Directors present shall be the act of the Board of Directors unless a greater number of affirmative votes is required by law, the Articles of Incorporation or these bylaws.

Proxy voting by Directors shall not be allowed, however an absent Director may direct the President in writing to cast his or her absentee vote on specific matters, provided that the absent director had prior knowledge of the matters and the President announces the absentee vote before discussion of the matter.

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Section 16: Payments to Directors

Rev. 09/09

Directors of the Corporation shall not be paid compensation by the Corporation, nor shall they profit from any transactions with the Corporation. Nothing herein shall prohibit purchases by the Corporation from a Director, when approved by the Board and the affected Director must recuse themselves from any vote regarding the transaction. Directors and Officers of the Corporation may be reimbursed by the Corporation for any authorized expenses actually incurred by them in the performance of their duties as Directors and Officers of the Corporation.

Section 17: Indemnification of Directors

The Corporation shall indemnify, hold harmless and defend all duly elected Directors and Officers of the Corporation from any civil liability which any of them incur while properly and lawfully acting pursuant to, and within, the scope of their authority as Directors and Officers of the Corporation.

ARTICLE V - OFFICERS

Section 1: Officers of the Corporation

The primary officers of the Corporation shall be President, Vice President, Secretary and Treasurer, each of whom shall be current Members of the Board of Directors. Assistant Treasurer and Assistant Secretary are additional authorized officers who need not be Members of the Corporation.

Section 2: Election of Officers

The officers of the Corporation shall be elected by the Board of Directors at their annual organizational meeting. The Board of Directors shall fill any offices that have been vacated. No person shall serve as an officer without having received the votes of a majority of the total number of Directors.

Section 3: Officer's Term of Office

The normal term of office for an officer shall be one (1) year. Each officer shall hold office until a successor shall have been elected or until death, resignation or removal from office.

Section 4: Removal of an Officer

Any officer may be removed from office when, by secret ballot at a properly constituted meeting of the Board of Directors, the majority of the Board of Directors shall have determined that such removal is in the best interests of the Corporation.

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Section 5: President

Rev. 09/09

When present, the President shall preside at all meetings of Members and of the Board of Directors; and, subject to the control of the Board of Directors, shall have general supervision over the affairs of the Corporation, its property and employees; and shall be ex-officio a Member of all committees. The President shall, by and with the approval of the Board of Directors make and execute contracts, deeds, mortgages and other such instruments and documents. The President shall sign Membership Certificates.

Section 6: Vice President

The Vice President shall, in the absence of the President, perform all of the duties of, and have all of the powers of, the President. Should neither President nor Vice President be present at any meeting a presiding officer shall be chosen by vote of those present.

Section 7: Secretary

The Secretary shall:

- (a) Record and keep minutes of meetings of Members and meeting of the Board of Directors.
- (b) Conduct the official correspondence of the Corporation.
- (c) Have custody of the corporate seal and affix it and attest to documents as may be required.
- (d) Keep and maintain the Membership Book of the Corporation.
- (e) Receive petitions from Members of the Corporation.
- (f) Prepare and deliver all notices required by these bylaws.
- (g) Print ballots for all meetings of Members.
- (h) Receive and record resignations of Members, directors and officers.
- (i) Sign Membership Certificates.

Section 8: Treasurer

The Treasurer shall be the chief financial officer of the Corporation and shall:

- (a) Collect and disburse the funds of the Corporation as directed by the Board of Directors.
- (b) Establish procedures so as to assure that when funds of the Corporation are disbursed in cash there shall be a proper receipt evidencing the transaction.

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- (c) Keep and maintain the financial records of the Corporation.
- (d) Prepare and file all federal, state, and local tax returns as may be required.
- (e) Prepare, for approval by the Board of Directors, an annual operating fund budget which, upon approval, shall be distributed to the general Membership.
- (f) Prepare and present to the Board of Directors periodic financial statements and at the close of each year, prepare for presentation at the Annual Meeting of Members a complete balance sheet and detailed report of income and expense.
- (g) Keep in a safe place all insurance policies, deeds, titles, abstracts, securities and valuable documents belonging to the Corporation.
- (h) At the expense of the Corporation, provide a bond, in form and amount satisfactory to the Board of Directors, guaranteeing the faithful performance of the officers of the Corporation and other Directors authorized to sign checks.
- (i) At the expense of the Corporation, provide Officers and Directors liability insurance in form and amount satisfactory to the Board of Directors.

ARTICLE VI - GENERAL MANAGEMENT AND FISCAL POLICIES

Section 1: Contracts

Rev. 09/09

The Board of Directors may authorize an officer, or officers, to enter into and execute a contract in the name of, and on behalf of, the Corporation, except as may be limited by these bylaws.

No contract over five thousand dollars (\$5,000) shall be entered into without specific approval and authorization by vote of the Board of Directors at a properly constituted meeting of the Board of Directors.

Section 2: Loans

Rev. 4/02

The Board of Directors may authorize an officer, or officers, to borrow money, incur indebtedness, mortgage property and give evidence of indebtedness in the name of, and on behalf of, the Corporation.

Long term debt may not be increased without the approval of the majority of all equity Members if after new debt is incurred the total long term debt exceeds sixty percent (60%) of the Corporation's book equity computed in accordance with generally accepted accounting principles. The accumulative long-term indebtedness of the Corporation shall be concentrated within an accredited financial institution, i.e. bank, savings & loan, insurance company. No loan or long-term debt may be incurred without the specific approval of a

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majority of the total Board of Directors at a properly constituted meeting of the Board of Directors.

Section 3: Disposition of Real Property

Rev. 2/05

No parcel of real property belonging to the Corporation may be sold, traded or otherwise disposed of without the affirmative vote of two-thirds (2/3) of the Equity Members.

Section 4: Bank Accounts

All funds of the Corporation, except cash on hand for day to day operations, shall be deposited to the credit of the Corporation in such banks, depositories or other institutions as the Board of Directors may designate. All checks, drafts withdrawals or other orders of payment shall be signed by such officer, or officers, as the Board of Directors may designate.

Section 5: Fiscal Year

Rev. 05/09

The fiscal year of the Corporation shall begin on April 1st and end on the following March 31st.

Section 6: Financial Audit

The accounting system used by the Corporation shall be on the accrual method consistent with accounting standards defined by the American Institute of Certified Public Accountants.

The financial records of the Corporation shall be audited annually by an independent certified public accountant recommended by the Board of Directors and approved by a majority of the Equity Members voting at the Annual Meeting. The auditor will present all conclusions of the audit, including the executive letter, to the Board of Directors of the Corporation at the first scheduled Board Meeting following the completion of the audit.

The financial records of the Corporation shall be available for inspection at any reasonable time by any Director of the Corporation. The report prepared by the certified public accountant shall be available for inspection at any reasonable time by any Member of the Corporation.

Section 7: Dues, Fees and Minimum Spending Requirements

Rev. 09/09

The Board of Directors shall have the responsibility for, and the authority to, establish, and from time to time change, dues, initiation fees and minimum spending requirements for all Members, including temporary seasonal Members. The Board of Directors through the General Manager shall also establish use fees for non-members.

Section 8: Assessments

There shall be two types of assessments as follows:

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- (a) OPERATION AND MAINTENANCE ASSESSMENTS may be levied by the Board of Directors upon all Memberships for operation and maintenance costs not covered by dues and fees.
- (b) CAPITAL ASSESSMENTS may be levied upon Equity Memberships only with the approval of two thirds (2/3) of the Equity Members. Such capital assessments may be used for debt retirement, purchase of property, physical improvements, or other acquisitions which increase the capital value of the Corporation.

In the event an assessment is levied, the Secretary of the Corporation shall give written notice to all Members being assessed and shall include in said notice the date that payment of the assessment is due.

Section 9: Delinquent Account Penalty

Rev. 09/09

The Board of Directors may suspend the Membership privileges of any Member whose dues, fees, assessments or Club accounts are not paid within thirty (30) days after payment is due.

The Board of Directors may cancel the Membership of any member whose dues, fees assessments or Club accounts are not paid within forty-five (45) days after payment is due. An Equity Membership that has been cancelled shall be sold in accordance with Article II, Section 15 of these bylaws.

The Board of Directors may establish and assess late payment fees and interest charges when dues, fees, assessments or Club accounts are not paid in a timely fashion.

The Board of Directors may pursue any and all legal means to collect unpaid amounts owed by Members to the Corporation.

Section 10: Protection of the Corporation

Rev. 09/09

The Board of Directors may establish and exact penalties including, but not limited to, denial of use rights, or cancellation of Membership, as the Board of Directors deems necessary to assure equitable use of the facilities of the Corporation by all Members.

ARTICLE VII - AMENDMENTS

Rev. 01/16

Except where a greater affirmative vote is required by specific sections of these Bylaws, such as Article II, Section 11(a) respecting the number of Equity Memberships and Article VI, Section 3 respecting the sale of real property, the Bylaws may be repealed or amended by the affirmative vote of 60% of all eligible ballots received when at least 50% of the Equity Members vote. The vote shall be by mailed or electronically mailed ballot. Amendments may be proposed either by the Board of Directors or by a petition signed by at least fifty (50) Members of the Corporation entitled to vote at a meeting of Members. The petition shall include the entire text of any proposed amendments and the names of

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three (3) Members eligible to vote sponsoring the proposed amendment. The petition must be presented to the Secretary of the Corporation.

Within ten (10) days after the receipt by the Secretary of the Corporation of an amendment petition, or the adoption by the Board of Directors of an amendment proposal, the President of the Corporation shall appoint an Amendment Committee consisting of two (2) Members of the Board of Directors and no fewer than three non-Board Members. If the proposal is by petition, two (2) of the sponsors shall be appointed as non-Board Members of the Committee.

The Amendment Committee shall resolve any ambiguity in the proposed amendment and/or conflict with existing bylaws. The Amendment Committee shall prepare the amendment or amendments for presentation to the Membership. The Amendment Committee shall schedule a hearing on the proposed amendment, or amendments, to be held not later than forty-five (45) days after the appointment of the committee.

Not later than fifteen (15) days prior to the date of the hearing the Committee shall prepare and present to the Secretary of the Corporation for mailing or electronically mailing to all Members an announcement of the hearing which shall include a complete before amendment and after amendment text of the Article or Articles involved.

The Amendment Committee shall, as scheduled, conduct a hearing for the purpose of giving all interested Members an opportunity to express their opinions on the amendment proposal.

The Amendment Committee shall summarize the pro and con opinions expressed by Members at the hearing and present the summary of opinions and the proposed amendments for consideration to the Board. The Board may further revise the amendments or determine whether to submit all or any portion thereof to the Membership for consideration. (If the amendment is proposed by petition the Committee is not required to gain the approval of the Board before mailing or electronically mailing the proposed changes to the Members). As soon as practicable after approval by the Board or upon finalization of a petition proposal, a summary of opinions, the revised proposed amendment, a ballot, a postage paid response card or envelope for those members not voting electronically, and full instruction for voting, including the last day for balloting, shall be mailed or electronically mailed to each Member eligible to vote.