

JUL 18 '97 15:15 TO-18509224000
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FROM-HODGSON, RUSSELL & ANDREWS

T-065 P.01 F-226

FLORIDA DIVISION OF CORPORATIONS

PUBLIC ACCESS SYSTEM
ELECTRONIC FILING COVER SHEET

((H97000011717 0))

TO: DIVISION OF CORPORATIONS
(850)922-4000

FAX #:

FROM: HODGSON, RUSSELL, ANDREWS, ET AL
072720000242

ACCT#:

CONTACT: ~~DONNA DEMPSEY~~ *Rinora Kinloch*
PHONE: (561)394-0500
(561)394-3862

FAX #:

NAME: DELRAY CLUB, INC.

AUDIT NUMBER.....H97000011717
DOC TYPE.....BASIC AMENDMENT
CERT. OF STATUS..0
CERT. COPIES.....1

PAGES..... 27
DEL.METHOD.. FAX
EST.CHARGE.. \$87.50

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DIVISION OF CORPORATIONS

*Amended
&
Restated
Articles* 07/21/97
De

JUL-18-97 10:31 From:HODGSON RUSS

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7/18/97
10:17 AM

FLORIDA DIVISION OF CORPORATIONS

PUBLIC ACCESS SYSTEM
ELECTRONIC FILING COVER SHEET

((H97000011717,0))

TO: DIVISION OF CORPORATIONS
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072720000242

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CORPORATION DIVISION

JUL 18 '97 11:44 TO-18509224000

FROM-HODGSON & RUSS

T-051 P.01 F-213

7/18/97
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FLORIDA DIVISION OF CORPORATIONS

PUBLIC ACCESS SYSTEM
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((H97000011717 0))

TO: DIVISION OF CORPORATIONS
(850) 922-4000

FAX #:

FROM: HODGSON, RUSS, ANDREWS, ET AL
072720000242

ACCT#:

CONTACT: ~~DONNA DEMBSEY~~ *Rinda Kinloch*
PHONE: (561) 394-0500
(561) 394-3862

FAX #:

NAME: DELRAY CLUB, INC.

AUDIT NUMBER.....H97000011717

DOC TYPE.....BASIC AMENDMENT

CERT. OF STATUS..0

PAGES..... 27

CERT. COPIES.....1

DEL.METHOD.. FAX

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FROM-HODGSON & RUSS

T-065 P.02 F-226


**HODGSON RUSS
ANDREWS
WOODS &
GOODYEAR LLP**
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Paul B. Roman
Thomas E. Siney, P.A.
James A. Porter, P.A.
Of Counsel
RESIDENT IN NEW YORK
Paul R. Comeau
Mark S. Klein
Stephen M. Newman

H97000011717

July 18, 1997

VIA TELECOPY/904-922-4001

Secretary of State
Corporation Division
409 E. Gaines Street
Tallahassee, Florida 32302

Dear Sir:

RE: Delray Club, Inc.

Attached please find the Certificate of Amendment and Restatement of Articles of Incorporation and By-Laws of Delray Club, Inc. Inasmuch as the Bylaws were originally filed with the Secretary of State upon incorporation as an exhibit, they are again being included with this filing.

Please charge our account accordingly and forward a certified copy to the undersigned.

If you have any questions, please call 1-800-331-1025.

Very truly yours,


Linda Kinloch

Attachment
H97000011717

65984_1

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**CERTIFICATE
OF
AMENDMENT AND RESTATEMENT OF
ARTICLES OF INCORPORATION AND BY-LAWS
OF DELRAY CLUB, INC.**

COMES NOW, Herbert Seidensticker, and pursuant to Florida Statutes Sections 617.01201(6), 617.1006 and 617.1007(3) deposes and states as follows: That he is the President of Delray Club, Inc., a Florida not-for-profit corporation organized under the laws of Florida; that the attached Amended and Restated Articles of Incorporation and By-Laws of Delray Club, Inc. contain amendments to its original Articles of Incorporation and By-Laws requiring member approval; that on June 21, 1997, the members adopted the amendments contained in the attached Amended and Restated Articles of Incorporation and By-Laws and that the number of votes cast for the amendments was sufficient for approval.

DATED this July 17, 1997.

Herbert Seidensticker
(Signature)

Herbert Seidensticker
(Printed/typed name)
President
Delray Club, Inc.

Attest:

Carol Craig
(Signature)

Carol Craig
(Printed/typed name)
Assistant Secretary
Delray Club, Inc.

Prepared By:
Thomas E. Slinas, Esq.
Hodgson, Russ, et al
2000 Glades Rd., Suite 200
Boca Raton, FL 33432; FLB #134723
(561) 396-0500
H97000011717

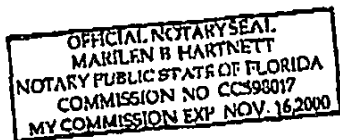
(See following page for Acknowledgment)



(Corporate Seal)

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

ACKNOWLEDGMENT: Before me, the undersigned authority, appeared Herbert Seidensticker, President of Delray Club, Inc., and Carol Craig, Assistant Secretary of Delray Club, Inc., and acknowledged that they executed the foregoing certificate on this 17 day of July, 1997. The persons are personally known to the undersigned.



Marilen B. Hartnett
Notary Public, State of Florida

Marilen B. Hartnett
(Printed/typed name)
My Commission Expires: 11/16/2000
Commission Number: CC598017

FILED
97 JUL 18 PM 4: 19
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
DELRAY CLUB, INC.
(A Corporation Not-For-Profit)**

ARTICLE I

The name of the Corporation is "DELRAY CLUB, INC."

ARTICLE II

The street address of the Corporation's principal office is 2001 South Ocean Boulevard, Delray Beach, Florida 33483-6499.

ARTICLE III

The sole purpose of the Corporation is to own and operate a private beach club (hereinafter "Club") exclusively for the pleasure and recreation of its members. To carry out this purpose, the Corporation shall be empowered to acquire, rent, lease, let, hold, own, buy, convey, mortgage, bond, sell or assign property, real, personal or mixed, and to borrow money, whether secured or unsecured and to do and perform all such other acts and things as are allowed by the laws of the State of Florida with respect to corporations not-for-profit, as those laws now exist or as they may hereafter provide.

ARTICLE IV

The method of election of directors ("Governors") is stated in the Corporation's Bylaws. At the regularly scheduled annual members meeting, the voting members shall elect the members of the Board of Governors annually in accordance with the Bylaws.

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ARTICLE V

The street address of the registered office for the corporation and the name of its registered agent for the Corporation at that address is as follows: 2001 South Ocean Boulevard, Delray Beach, Florida 33483-6499; Timothy J. Kelly. The registered agent can be changed from time to time in accordance with the laws governing resident agents.

ARTICLE VI

The period of duration of the Corporation is perpetual.

ARTICLE VII

The Corporation is one which does not permit pecuniary gain or profit. No part of any net earnings of the Corporation shall inure to the benefit of any member, governor or officer, and as such they will have no interest in or title to any of the property or assets of the Corporation. Nothing herein shall prohibit the Corporation from paying compensation in reasonable amounts to its governors and officers for services rendered to the Corporation.

ARTICLE VIII

The qualification of members and the conditions and regulations of memberships and the rights or other privileges of members shall be determined and fixed in accordance with the Bylaws. A copy of said Bylaws is attached hereto as Exhibit "A."

ARTICLE IX

The Corporation shall have no capital stock and shall be composed of members rather than shareholders.

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ARTICLE X

The Corporation shall have a maximum of seven hundred twenty five (725) permanent proprietary ("voting") members. Newly admitted voting members are required to make non-refundable (except for distributions upon liquidation after payment and discharge of liabilities and obligations or adequate provision therefor pursuant to Article XI) contributions to the capital of the corporation. The Corporation may, at the discretion of the Board of Governors, have non-voting members. Non-voting members may also be required to make non-refundable contributions to the capital of the corporation. All members, voting and non-voting, shall pay dues and charges in accordance with the terms of the Bylaws.

ARTICLE XI

Upon dissolution or final liquidation of the Corporation, all of the property and assets of the Corporation, after payment and discharge of its liabilities and obligations or adequate provisions made therefor, shall be distributed, among its active voting members only, each such member to share equally with the others. For purposes of liquidation, the phrase "liabilities and obligations" shall include but is not limited to the redemption value of any previously unredeemed voting member Certificates of resigned voting members and active voting members entitled to redemption. For purposes hereof, the phrase "redemption value" means the sum of \$6,000. or such lesser amount as the resigned or active voting member actually paid for the voting membership certificate.

ARTICLE XII

Neither the members nor the officers or governors of the Corporation shall be liable for the debts of the Corporation.

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ARTICLE XIII

The Bylaws of the Corporation shall be made and adopted by the Board of Governors and may be altered or rescinded from time to time by the Board of Governors in accordance with the terms of the Bylaws.

ARTICLE XIV

The voting power of the members shall be vested in the voting members only, and each of the voting members shall have equal voting rights, with one (1) vote per such member. For this purpose, members of the same family holding Family Memberships shall be entitled to only one (1) vote per family. The voting powers of the permanent proprietary members shall be limited to the powers set forth in Articles IV and Article XVII. Non-proprietary members shall have no voting rights.

ARTICLE XV

The capital contributions for voting and non-voting memberships in the Corporation shall be made in such amounts as are fixed from time to time by the Board of Governors in accordance with the terms of the Bylaws.

ARTICLE XVI

The annual dues, assessments and charges to the members of the Corporation shall be in such amounts as are fixed from time to time by the Board of Governors in accordance with the terms of the Bylaws.

ARTICLE XVII

A majority vote of all of the voting members and a majority vote of all of the members of the Board of Governors will be required to authorize or approve any of the following actions:

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- (a) Merger or consolidation of the Corporation with another entity;
- (b) Sale, lease, exchange, transfer or other disposition of all or substantially all of the Corporation's assets;
- (c) Voluntary dissolution of the Corporation;
- (d) Adoption of a plan of distribution of remaining assets upon dissolution of the Corporation; and
- (e) Amendment of these Articles of Incorporation.

ARTICLE XVIII

The Board of Governors may authorize the officers of the Corporation to enter into a management agreement with any person, firm or corporation, to manage the affairs of the Corporation.

ARTICLE XIX

A membership may be transferred only through repurchase by the Corporation or to an adult child or grandchild of a member in accordance with the procedure set forth in the Bylaws.

ARTICLE XX

The affairs of the Corporation shall be conducted by the Board of Governors. the Board of Governors shall appoint the officers of the Corporation in accordance with the provisions set forth in the Bylaws.

ARTICLE XXI

The Corporation shall indemnify and hold harmless each person who shall serve at any time hereafter as governor or officer from and against any and all claims and liabilities to which such person shall become subject by reason of his or her having been, or hereafter being, a governor or officer of the Corporation, or by reason of any action alleged to have been taken or omitted by him or her as governor or officer, and shall reimburse each such person for all legal and other expenses reasonably incurred by him or her in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his or her gross negligence or willful misconduct.

IN WITNESS WHEREOF, the undersigned have set their hands and the corporate seal, acknowledged and filed the foregoing Amended and Restated Articles of Incorporation under the laws of the State of Florida, this 17 day of July, 1997.



(Corporate Seal)

e:\fladocs\delray\articles.inc

Herbert Seidensticker
Herbert Seidensticker (signature)
President, Delray Club, Inc.

Attest: Carol Craig
Carol Craig (signature)
Assistant Secretary, Delray Club, Inc.
(title)

EXHIBIT "A"

**AMENDED AND RESTATED BYLAWS
OF
DELRAY CLUB, INC.
EFFECTIVE JUNE 21, 1997
D/B/A DELRAY BEACH CLUB
A Not For Profit Florida Club**

**ARTICLE I
PURPOSE OF Club**

The nature and purpose of the Club - also referred to in these Bylaws as the "Club" - is to own and operate a social and beach club, known as the Delray Beach Club, for the recreation, pleasure and benefit of its members.

**ARTICLE II
MEMBERS' MEETING**

1. ANNUAL MEETING

An annual meeting of the members shall be held to receive reports of officers and others, to elect Governors and to conduct other business as may be properly brought before the meeting.

2. DATE AND PLACE OF ANNUAL MEETING

The annual meeting of the members shall be held on the first Saturday after the fifteenth day of each March, or on any properly adjourned date, at the hour and place in Florida as the Board of Governors may designate.

3. SPECIAL MEETINGS

Special meetings of the members may be called by the President, a majority of Governors or, upon the written request of ten percent (10%) of the voting members. The request shall be submitted to the President who shall call a special meeting within thirty (30) days of the date it is received. Notice of any special meeting must contain a statement of the purpose for the special meeting and no other business may be transacted at that meeting.

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4. NOTICES

The Secretary shall give not less than ten (10) days prior notice, by mail prepaid, to voting members stating the date, time, place and purpose of any members' meeting. Notice of any meeting shall be posted on the official bulletin board at the Clubhouse.

5. QUORUM

The presence, either in person or by proxy, of members having fifty percent (50%) of the votes then entitled to be voted shall constitute a quorum of any meeting of the members.

6. VOTING PERCENTAGE

Except for election of members to the Board of Governors, as stated in Article III 3(c) and for non-emergency expenditures in excess of two hundred thousand dollars (\$200,000) for capital improvements, as stated in Article V 4, a majority of the votes cast is necessary for passage of any motion.

**ARTICLE III
BOARD OF GOVERNORS****1. NUMBER AND QUALIFICATIONS**

The government and administration of the affairs and the property of the Club shall be vested in a Board of Governors consisting of at least seven persons who are voting members as defined in Article X.

Governors shall be elected for a term of three years with terms staggered so that a minimum of two directors are elected each year, except as set forth below. The Board of Governors is empowered to temporarily alter the terms of future directors to obtain the staggered terms where a minimum of two directors are elected each year for a term of three years.

2. NOMINATING

a. At a meeting of the Board of Governors held at least sixty (60) days before the annual membership meeting, the Board of Governors shall appoint a

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Nominating Committee consisting of five (5) voting Club members, two (2) of whom shall be members of the Board of Governors. Members of the Nominating Committee shall serve for a term of one (1) year or until their successors are appointed and qualified.

b. The Nominating Committee shall recommend, at least twenty (20) days prior to the members' annual meeting, the names of the members of the Club selected by a majority vote of the Committee to be submitted to the members of the Club at their annual meeting for election to the Board of Governors. One nominee shall be selected for each vacancy to be considered at the next annual meeting. The Nominating Committee, however, shall not nominate candidates to fill any vacancies occurring by reason of death, resignation, or otherwise, for any unexpired term unless requested by the Board.

c. Twenty percent (20%) or more of the total voting members who are not on the Nominating Committee nor on the Board of Governors, may also nominate candidates for the Board of Governors by petition signed by them and filed with the Secretary at least twenty (20) days before the members' annual meeting. The names of any nominee, after having been certified by the Secretary or any other officer that they are qualified for election and have been nominated in accordance with the provisions of these Bylaws, shall be posted on the official bulletin board of the Clubhouse.

3. ELECTIONS

a. There shall be no cumulative voting and no preemptive rights.

b. Voting shall be either in person or by proxy.

c. The number of candidates necessary to fill the vacancies on the Board of Governors receiving the highest number of votes at the annual meeting of members for each designated term shall be declared elected.

d. Any member of the Board of Governors, after being elected to a regular term of three years on the Board, shall generally not be eligible for election to the Board again until he or she has been off the Board for at least one full year, except as provided in e. below. Service on the Board of Governors by appointment shall not be counted as a term or portion thereof.

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e. The Board of Governors may elect to adopt an exception to the provisions of 3.d. to permit a retiring Governor to be reelected or reappointed to the Board of Governors in a situation where the experience and qualifications of that Governor are deemed by the Nominating Committee or the Board of Governors, as the case may be, of special importance to the Club at that time.

ARTICLE IV MEETING OF BOARD OF GOVERNORS

1. The Board of Governors shall meet at least annually, on a date it selects, to fix the issuance price of membership Certificates or Acknowledgments, the initiation fee and other charges for new members.

2. The Board of Governors shall meet at least annually, on a date it selects, to fix the amount of dues, fees, assessments and other charges for the next fiscal year.

3. As soon as reasonably possible after the Annual Meeting, but not more than ten (10) days later, the Board of Governors shall hold its annual organizational meeting to elect officers and to consider other matters properly brought before the meeting.

4. In addition to the meetings stated in paragraphs 1, 2 and 3 above, the Board of Governors shall not have less than six (6) regular meetings in each year whenever the Board of Governors shall determine.

ARTICLE V POWERS OF THE BOARD OF GOVERNORS

1. The Board of Governors shall exercise all powers of the Club and do all acts and things necessary to carry out the purpose of the Club.

2. The Board of Governors shall:

- a. Elect officers.
- b. Appoint committees and assign duties.

c. Fill vacancies on the Board of Governors due to death, resignations, inability to perform duties, or otherwise, for the balance of the unexpired term of the retiring Governor.

d. Appoint managers and other employees and delegate authority as is considered necessary for the proper operation and management of the Club.

e. Adopt, alter, amend or repeal Rules and Regulations governing use of the Club and all its facilities by members and their guests.

f. Have the power to replace any Governor who fails to attend fifty percent (50%) of the regular Board meetings in any one (1) fiscal year.

3. The Board of Governors shall have sole authority to issue, cancel and transfer membership Certificates or Acknowledgments and shall have the Certificates or Acknowledgments prepared in form and content consistent with the provisions of the Articles of Incorporation and the Bylaws of the Club.

4. The Board of Governors shall have the power to expend funds to the extent of the amount of the Club's Treasury or owing to the Club; to make contracts or create indebtedness; to borrow money or incur indebtedness for the purpose of the Club, and to cause promissory notes, bonds, mortgages or other evidence of indebtedness to be executed and issued provided that, except in the case of an emergency, no amount in excess of Two Hundred Thousand Dollars (\$200,000.00) shall be authorized, obligated or expended for capital improvements without the concurrence of a majority of the voting members.

5. No Governor shall receive a salary or any other compensation but, shall be entitled to reimbursement for expenses reasonably incurred in performing any duties under these Bylaws.

6. The Board of Governors shall have the corporate powers to generally do everything permitted not-for-profit Clubs by law, by statute, by charter and by these Bylaws, including the power to determine the interpretation or construction of the Bylaws, or any portion of them, in conflict or of doubtful meaning and its determination shall be final and conclusive.

7. The Board of Governors shall determine and levy special assessments as needed at any time to carry out the purposes of the Club.

ARTICLE VI OFFICERS

1. The Board of Governors at each annual organizational meeting shall elect from the Governors to serve for the term of one (1) year and until their successors are elected, a President, a First Vice President, a Second Vice President, a Secretary and a Treasurer.

ARTICLE VII DUTIES OF OFFICERS

1. PRESIDENT

The President shall preside at all meetings and enforce the provisions of these Bylaws and all Rules and Regulations of the Club. The President may call special meetings of the Board of Governors; shall have the right, but not the obligation to be an ex-officio member of all committees and is empowered to execute all papers and documents requiring execution in the name of the Club.

2. VICE PRESIDENTS

In the absence or disability of the President, the First Vice President shall perform and carry out all duties and responsibilities of the President and in the absence or disability of both the President and the First Vice President, the Second Vice President shall perform and carry out all duties and responsibilities of the President. If the President, First Vice President, Second Vice President are all absent or disabled, the duties and responsibilities shall be performed and carried out by the member of the Board of Governors appointed by a majority of the Board at a duly constituted meeting of the Board.

3. SECRETARY

The Secretary shall keep records and minutes of all Board of Governors' meetings and voting members' meetings and shall be responsible for giving all required notices of meetings, The Secretary shall have custody of the Seal of the Club. All membership records shall be kept under supervision of the Secretary.

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4. TREASURER

The Treasurer shall be Chairman of the Finance Committee and shall cause to be collected, held and disbursed, under the direction of the Board of Governors, all monies of the Club. It shall be the Treasurer's duty to collect monies due the Club from the issuance of membership Certificates, dues and charges from members, and all amounts due from others.

ARTICLE VIII STANDING COMMITTEES

At the meeting of the Board of Governors held after the Board's annual organizational meeting, the Chairman and members of the following committees shall be designated by the President with approval of the Governors:

Finance, House and Grounds, Membership, Admissions, Tennis, Pool and Beach, Food and Beverage and Entertainment.

The Membership Committee shall consist of at least four (4) voting members.

The President shall have the power, subject to a majority vote of the Board of Governors, to appoint such other committees as the President may deem expedient and to delegate to those committees such duties as may be found necessary for the proper conduct of the affairs of the Club.

Committee chairmen and committee members need not be members of the Board of Governors.

The Honorary Committee of Past Presidents shall constitute a permanent committee consisting of each of the Club's past Presidents (prospectively or retroactively), who has served the Club honorably.

It shall remain an inactive committee except for the specific period of time needed to perform whatever duties are assigned to it by the Board of Governors. These duties shall include any one or more of its members being requested by the Board of Governors to appear before it and provide it with information relating to activities of prior Boards or other requested information.

At each annual meeting of the Board of Governors, the names of each member of this committee shall be affirmed and the member who last served as President shall be designated Chairman of the Honorary Committee of Past Presidents.

ARTICLE IX AMENDMENTS

1. These Bylaws may be altered, amended, repealed or new ByLaws adopted by a majority of votes cast in person or by proxy at any duly called and constituted annual or special meeting of the members at which a quorum is present. A proposed amendment must be set forth in the notice of the meeting.

2. These Bylaws may also be altered, amended, repealed or new Bylaws adopted by the Board of Governors at any regular or special meeting of the Board, provided (a) its proposed action be set forth in the notice of the Board's meeting; (b) two-thirds (2/3) of the Board approves the proposed action; and (c) the proposed action of the Board shall not (1) increase the number of voting members; or (2) change the voting rights of the members. Bylaw amendments adopted by the Board shall be voted on by the members at the annual members' meeting following the Board's action. If the members fail to approve the Bylaw amendments adopted by the Board, they shall be thereafter void.

3. Amendments to Club Bylaws, Rules or Regulations, must be posted within a reasonable period of time after adoption on the Club's official bulletin board for at least seven (7) successive days. A day certain for effectiveness or enforceability recited in any amendment shall not be delayed because of this posting requirement. If the amendment does not recite a day certain, it shall be deemed effective or enforceable only upon the expiration of the required seven (7) successive days of posting.

ARTICLE X MEMBERSHIPS

There shall be three (3) classes of membership: (1) permanent, proprietary, *i.e.*, voting members and the following non-voting classes, (2) associate members, and (3) summer members. Membership in any class shall be designated either as "single membership" (entitling only one person to use the Club facilities) or as a "family

membership" (entitling a husband and wife and their unmarried children under the age of twenty-four (24) to use the Club facilities.)

No proposal for any class of membership may be accepted unless the Membership Committee confirms (a) an authorized proposal has been completed; (b) a vacancy in the class membership exists; (c) applicable sponsoring questionnaires in proper form have been submitted; and (d) amounts equal to the required capital contribution (if any), initiation fee and dues have been received. It must then cause to be posted for at least a two-week period on the official bulletin board at the Club the name(s) and address(es) of the nominee(s) together with the Committee's request to voting members having reliable information on the admissibility of any proposal, to arrange with our resident Manager a meeting with the Membership Committee. During this posting period, the full proposal of names posted shall be available for inspection to any voting member.

The Board of Governors has sole and exclusive authority to accept or reject in its absolute discretion a proposal for membership in any class, irrespective of the recommendation of the Membership Committee.

Membership in the Club is limited to a combined total of Seven Hundred and Twenty-Five (725) permanent, proprietary voting members, plus associate and summer memberships as approved by the Board of Governors.

Voting membership shall be comprised of those active members, i.e., current dues paying members, who hold permanent Proprietary, i.e., voting Membership Certificates or Acknowledgments. A newly admitted voting Member will be required to pay a capital contribution, consisting of an Acknowledgment fee and an initiation fee, dues and any other charges required at the time the member is admitted to voting membership. Beginning with the effective date of these Amended and Restated Bylaws no further Certificates shall be issued, but in lieu thereof, the Club shall issue Acknowledgments only. Acknowledgments shall be issued only to a single, named person regardless of whether the Membership is a Family or Single Membership. If a Family Membership, the newly admitted member and spouse shall jointly designate the person to whom the Acknowledgment shall issue on the proposal for membership.

If the nominee is married, the designated spouse will also be considered a nominee for membership. Upon receiving a proposal for a voting membership accompanied by one (1) payment equal to the required initiation fee and other charges for new members and three (3) properly executed sponsor questionnaire

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forms of recommendation from the voting members of the Club; the Membership Committee shall meet and act on the proposal within a reasonable period of time from the date the proposal is received recommending to the Board to either grant or deny the voting membership. If the nominee is denied membership, then a denial letter shall include a refund of the monies paid at the time of the original proposal.

Associate membership shall be comprised of non-voting members who do not hold voting Membership Certificates or Acknowledgments, but who may be issued a non-voting Membership Acknowledgment. Associate Members will be required to pay a capital contribution, dues and any other charges required at the time the member is admitted to Associate Membership. If the nominee is married, the designated spouse will also be considered a nominee for membership. Each Associate member upon completing the payments as specified for the Associate membership and being a member in good standing will be issued a voting Membership Acknowledgment and will become a full voting member upon surrender of the non-voting Acknowledgment. Should an Associate member fail to meet the payment terms of the Associate membership, the membership will be terminated and under no circumstances will any monies paid, including dues, capital contribution, assessments or other charges be refunded.

The Associate membership initiation fee will be established by the Board of Governors. The fee will not be less than the current Initiation fee for voting members, and will be payable in annual installments over no less than three years nor more than five years, as determined by the Board of Governors.

Upon receiving a proposal for an associate membership accompanied by one (1) payment equal to the required associate membership fee and other charges for new associate members and three (3) properly executed sponsor questionnaire forms of recommendation from the voting members of the Club; the Membership Committee shall meet and act on the proposal within a reasonable period of time from the date the proposal is received recommending to the Board to either grant or deny the membership. If the nominee is denied membership, then a denial letter shall include a refund of the monies paid at the time of the original proposal.

Summer membership may be issued to nominees not making a capital contribution. Those seeking summer membership shall be sponsored by two (2) voting members. Upon receiving this proposal and two (2) sponsoring forms, the Membership Committee shall meet and act on the proposal within a reasonable period from the date the proposal is received and submit its recommendation to the Board.

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All classes of membership have the same rights and privileges to use the Club facilities - only voting members shall have voting rights; only voting members shall serve as an Officer or Governor; only voting members shall be entitled to attend membership meetings, whether annual or special, and only voting members admitted to membership prior to the Effective Date of these Amended and Restated Bylaws shall have the right to redeem a membership Certificate or Acknowledgment by surrendering it to the Club to be held for repurchase as provided in Article XII.

ARTICLE XI RESTRICTION OF TRANSFER OF MEMBERSHIP

Membership in the Club cannot be sold, assigned or otherwise transferred except to the Club strictly in accordance with the provisions of Article XII and except as provided in Article XIII. Violation of this prohibition by any member automatically terminates the membership.

Termination of a membership by its unauthorized sale, assignment, or transfer, by resignation, by expulsion, or by any other causes, shall result in the rights and privileges of the member, as well as those of the spouse (excluding termination by death provided for in Article XIII) and children under a family membership to forthwith cease and end.

ARTICLE XII RESIGNATIONS: REDEMPTION OF VOTING CERTIFICATES

12.0 Resignations. A voting member in good standing may resign or terminate his or her membership by giving written notice and surrendering the member's Certificate or Acknowledgment of Membership, if any, to the Secretary of the Club. If the resignation is received before the end of the year, the resigning member will not be obligated for the annual dues of the following year.

12.01 Except as provided under Sections 12.1 and 12.21, no part of any membership Certificate or Acknowledgment fee, initiation fee, annual dues or other charges shall be repaid to a member upon termination of membership.

12.02 Upon resignation or membership termination, any indebtedness or liability of the resigning member to the Club shall become immediately due and payable and together with late charges shall constitute a set off against any redemption amount, if any, payable pursuant to Section 12.1 if not sooner collected.

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12.03 Upon the resignation of a member owning a Family Membership, the membership may be:

- 1. Terminated, or**
- 2. Transferred to an adult child or grandchild upon the recommendation of the Membership Committee, approval of the Board of Governors and payment of an initiation fee of \$2,500. The Certificate, if any, held by the transferring member, shall be surrendered to the Club and cancelled without any redemption entitlement being paid. The Club may issue an Acknowledgment to the newly admitted adult child or grandchild.**

12.04 Upon the resignation of a member owning a Single Membership, the membership may be:

- 1. Terminated, or**
- 2. Transferred to an adult child or grandchild of the decedent upon recommendation of the Membership Committee, approval of the Board of Governors and payment of an initiation fee of \$2,500. The Certificate, if any, held by the transferring member, shall be surrendered to the Club and cancelled without any redemption entitlement being paid. The Club may issue an Acknowledgment to the newly admitted adult child or grandchild.**

The specific procedures for effecting the transfers of membership, as set forth above, will be established by the Board of Governors.

12.1 Redemption List. The Club shall maintain a redemption list of terminated, resigned and expelled voting members or their personal representatives or heirs if the former member is deceased (collectively "resigned members") who were admitted to membership prior to the Effective Date of these Amended and Restated Bylaws, and who have tendered their membership Certificates for redemption or furnished an affidavit of lost Certificate in lieu thereof in form approved by the Club, but who have not received the redemption of their Certificate. The list shall be maintained in chronological order, i.e., the earliest resignation by date of receipt by the Club of notice of resignation (or date of issuance of notice of expulsion) shall be the first or highest person on the list and the most recently resigned or expelled voting member shall be the last or lowest person on the list. The redemption list shall contain the name, date of receipt of the resignation notice (or date of expulsion notice) and the most recent price, if any, specified by the

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resigned member of the deemed Sales Price as determined pursuant to Section 12.14. No members who are admitted to membership following the Effective Date of these Amended and Restated Bylaws, shall be entitled to redemption of their member Certificate or Acknowledgment.

Resigned members have two choices. They may (i) specify a Sales Price for redemption less than what they paid for their Membership Certificate or Acknowledgment pursuant to Section 12.11 below or (ii) refrain from specifying a Sales Price in which case they will be deemed to have specified the price they paid for the Certificate or Acknowledgment pursuant to Section 12.14 below. In the former case (Section 12.11 election), the resigned member may realize an earlier redemption than in the latter case (Section 12.14). This is because the resigned member, by electing a lesser Sales Price than what the resigned member previously paid, may advance to a higher priority position on the redemption list.

If a resigned member refrains from setting a lower Sales Price than that previously paid, the resigned member continues to be entitled to full redemption, but only (i) after the 725 cap on voting memberships is achieved; (ii) there exists one or more newly admitted voting members who have tendered the price of a voting member Acknowledgment to maintain the 725 cap; (iii) the resigned member is the highest person on the redemption list; and (iv) the Board of Governors has not curtailed redemption pursuant to Section 12.23. For purposes hereof, the term "full redemption" means the amounts reflected on the Club's records as having been paid by a resigned member for a Certificate and any surcharges paid pursuant to former Bylaw Article XII Section 1, but not exceeding \$6,000.

12.11 A resigned member may specify the price ("Sales Price") the resigned member is willing to accept in payment of his or her Certificate or Acknowledgment, but the Sales Price specified may not exceed the price the resigned member paid for the Certificate or Acknowledgment. Resigned members may notify the Club of the Sales Price desired for their Certificate or Acknowledgment at any time subsequent to notice to them of the adoption of these Amended and Restated Bylaws.

12.12 The redemption list shall be maintained by an agent appointed by the Board of Governors and shall be accessible only to the General Manager and the Club President or Treasurer or a Vice President when acting for the President upon the President's unavailability. However, any resigned member on the redemption list or any active, voting member at any time, but only at reasonable

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intervals, may inquire of the General Manager or the President and shall be informed, as to the lowest specified or deemed Sales Price reflected on the redemption list. However, the name or names of the resigned member(s) with the lowest specified or deemed Sales Price as related shall not be disclosed to the inquiring resigned or active member.

12.13 Not more frequently than each calendar quarter, a resigned member may change the Sales Price previously offered by notifying the agent appointed by the Board of the price change, in writing, by certified mail, return receipt requested. The price change shall be deemed effective five (5) days following the date of receipt by the Club of the notice of change. However, the changed Sales Price for the Certificate shall not be established at a price greater than the resigned member paid for the Certificate or Acknowledgment or \$6,000.00.

12.14 If a resigned member fails to specify a Sales Price the resigned member is willing to accept in redemption or specifies a price in excess of the amount the resigned member paid for the Certificate or Acknowledgment, as reflected in the Club's records, then the resigned member's deemed Sales Price shall be conclusively presumed to be the price the resigned member paid for the Certificate or Acknowledgment as reflected in the Club's records until and unless the resigned member notifies the Club of a subsequent price change pursuant to Section 12.13.

12.2 Redemption of Certificates and Acknowledgments. If the resigned member refrains from setting a lower sales price than that previously paid, the Club has no obligation to redeem the (i) resigned member's Certificate or Acknowledgment until the active voting member roster reaches 725; and (ii) then only upon the receipt of the non-redeemable Acknowledgment fee payable by one or more newly admitted voting members. Moreover, the Board of Governors may curtail redemptions for a period of time if the Club's operating and capital requirements are such that in its sole discretion such action is required.

12.21 Following receipt of any Acknowledgment fee paid by a newly admitted voting member and except as otherwise provided in subsections 12.22 or 12.23 hereof, the Club shall pay to resigned members who have set a lower sales price than that previously paid the Sales Price applicable to the resigned member with the lowest specified Sales Price reflected on the redemption list. If a specified Sales Price, the price paid shall be the most recently specified and effective Sales Price received by the Club prior to receipt of the Acknowledgment fee paid by the newly admitted member. If the resignation list reflects more than one resigned

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member having the lowest Sales Price or deemed Sales Price, then the resigned member who is highest on the list shall be tendered redemption. The redemption price tendered shall be the specified or deemed Sales Price applicable to the resigned member regardless of the amount the Club received from the newly admitted voting member.

12.22 Revocation of Redemption Offer. If the resigned member to whom redemption is tendered refuses the tender or fails to accept the redemption offered within 21 days of the Club having mailed the tendered redemption to the resigned member, then the Club shall revoke the tender made and make a tender to the next resigned member in priority whose Sales Price is the same as the resigned member to whom the original tender of redemption was made. If no other resigned member has the same Sales Price as the resigned member to whom the original or previous tender of redemption was made, then the tendered redemption shall be made to the resigned member whose Sales Price or deemed Sales Price is the next lowest in dollar amount and highest in priority for redemption. The tender process shall be repeated thereafter in like manner until the redemption tender is accepted.

12.23 Acknowledgment Issuance Without Redemption. If no resigned member (i) has specified a Sales Price the resigned member is willing to accept in redemption or (ii) having failed to specify a Sales Price is otherwise considered to be entitled to a deemed Sales Price in redemption equal to the price the resigned member paid for the Certificate or Acknowledgment; (iii) if in both cases there are no resigned members whose Sales Price or deemed Sales Price is equal to or less than the Acknowledgment price established by the Board at the date a new voting member is admitted to Club membership; and (iv) the voting membership cap of 725 has not been achieved, then the Club may issue a non-redeemable Acknowledgment to the new voting member without redeeming a resigned member's Certificate or Acknowledgment. The highest price which the Club shall establish for a non-redeemable Acknowledgment is \$1,500. The Club may also issue a non-redeemable Acknowledgment to a newly admitted voting member without redeeming a resigned member's Certificate or Acknowledgment if the Board of Governors has resolved to curtail redemptions for a period of time if the Club's operating and capital needs so require.

**ARTICLE XIII
DEATH OR REMARRIAGE OF A MEMBER**

FAMILY MEMBERSHIPS

Upon the death of a spouse owning a Family Membership, the membership automatically passes to the surviving spouse with ownership. The surviving spouse will then be requested to send a copy of the death Certificate and return the Family Membership Certificate or Acknowledgment to be reissued to the surviving spouse as a Single Membership Acknowledgment.

SINGLE MEMBERSHIPS

If a member owning a Single Membership marries, the member's options are as follows:

1. The member can retain ownership of the Single Membership and pay family dues to enable the new spouse to use the facilities, or
2. the member owning the Single Membership chooses to change the membership to a Family Membership with the new spouse as co-owner, the new spouse must be nominated for Membership. Upon the recommendation of the Membership Committee, approval of the Board of Governors, payment of a \$2,500 initiation fee and surrender of the Single Membership Certificate or Acknowledgment, a Family Membership Acknowledgment will be issued.

Upon the death of a member owning a Single Membership, the membership may be:

1. Terminated, or
2. Transferred to a spouse upon recommendation of the Membership Committee, approval of the Board of Governors and payment of an initiation fee of \$2,500.
3. Transferred to an adult child or grandchild of the decedent upon recommendation of the Membership Committee, approval of the Board of Governors and payment of an initiation fee of \$2,500.

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**ARTICLE XIV
GUEST PRIVILEGES**

Guest privileges may be extended to the guests of Club members under the conditions stated in the Club's rules and regulations.

Guest privileges are subject to applicable guest fees, charges and rules and regulations established by the Board of Governors.

The deportment of a member's guest is the responsibility of the member and guest privileges may be denied, withdrawn or revoked at any time when reasons to do so are considered sufficient by the Board of Governors in its sole and absolute discretion.

**ARTICLE XV
DUES**

The dues and fees will be applied against the Club's operating costs. It shall be the policy of the Club that the annual and all other dues, plus other receipts by the Club shall be sufficient, insofar as possible to project, to meet the operating needs of the Club. The dues and other charges as established by the Board of Governors shall also reflect this policy.

New members upon admission shall have their dues pro-rated beginning with the first month after they have become members through the remainder of the fiscal year.

Dues are payable in advance and are not thereafter refundable. The dues shall be fixed annually by the Board of Governors for the next fiscal year (calendar year beginning January 1 through December 31), which shall be submitted to the Board of Governors for approval at the regular monthly meeting in October of the current year. Dues will be billed in November, and are due December 1, of the current year for the ensuing year.

If any of the Club facilities are unavailable for Membership use because of fire, casualty or other similar occurrence beyond the Club's control, the Members shall continue to be liable for the timely payment of all dues.

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ARTICLE XVI DELINQUENCIES

1. STATEMENT

A statement of any current charges shall be mailed monthly to each member. A separate statement covering dues and special assessments which sets forth the date due will be mailed to each member. Payment is due immediately for current charges and on the date specified for dues and special assessments. Any member failing to pay this indebtedness by the end of the month in which it is due will be considered delinquent. Notice on a subsequent month's statement setting forth the amount of indebtedness remaining unpaid shall constitute adequate notice in writing of delinquency.

2. LATE FEES ON UNPAID ACCOUNTS - REINSTATEMENT OF CREDIT PRIVILEGES

a. All monthly or other bills for any amount owed by a member to the Club should include the following notice:

Late fees at the rate of 15% annually will be added to any unpaid amount computed from the time a delinquent member's credit has been suspended.

b. Suspended members may be reinstated by the Board of Governors within one (1) year of the suspension upon payment of all indebtedness plus all dues, assessments and charges accrued since the initial time of delinquency, plus a sum calculated at the rate of fifteen percent (15%) annually.

ARTICLE XVII DISCIPLINE

Any member or a member's family or guests whose conduct is deemed to be improper or likely to endanger the welfare, safety, harmony, or good reputation of the Club or of its members, may be reprimanded, fined, suspended, or expelled from the Club by action of the Board of Governors. The Board of Governors shall be the sole judge of what constitutes improper conduct or conduct likely to endanger the welfare or safety, harmony or good reputation of the Club or its members.

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1. BOARD ACTION

The member shall be notified of the proposed action and shall be given an opportunity to be heard by the Board of Governors to show cause why the member should not be disciplined in accordance with this Article.

If the member desires to be heard, the Board of Governors shall set a time and date (not less than ten (10) days later) for a hearing. While the complaint is being considered by the Board, the member shall enjoy the privileges of the Club.