

**BYLAWS OF
SHADOW HILLS COUNTRY CLUB
(S.H.C.C.)**

**ARTICLE ONE
CLUB**

- 1.1 **Location of Office** — The registered office of the Club shall be located in the County of Lane, State of Oregon, or at any other place as the Board may determine.
- 1.2 **Registered Agent** — The registered agent of the Club shall be the General Manager.
- 1.3 **Address** — The principal place of business of the Club shall be 92512 River Road, Junction City, Oregon, 97448, or at any other place as the Board may determine.
- 1.4 **Authority to Sign** — All checks or demands for money and notes of the Club shall be signed by such officer or officers or any other person or persons as the Board may, from time to time, designate.
- 1.5 **Fiscal Year** — The fiscal year of the Club shall end on December 31 of each year, and financial reports for the last fiscal year shall be made available to the voting members by March 15, or as soon thereafter as practical, of the following year and at the next following annual meeting. All books and records, with the exception of member files and personnel files, of the Club shall be open to the inspection of any voting members, in person, at all reasonable times.
- 1.6 **Authority to Subject Property to Lien** — No property of the Club shall be subjected to the lien of a mortgage or trust deed unless such action is first authorized by a vote of the holders of a majority of the voting members of the Club, either at an annual meeting of the voting members of the Club, or at a special meeting called for that purpose.
- 1.7 **Authority to In-debt** — No indebtedness in any amount, except for current monthly operating expenses, shall be incurred unless the same shall first have been authorized by the Board.
- 1.8 **Indemnification** — The Club shall indemnify an individual made a party to a proceeding because the individual is or was a director, officer, or general manager of the Club against liability incurred in the proceeding in accordance with ORS 65.387 through 65.414 as amended.
- 1.9 **Notices** — Whenever, notice is required to be given to any Director or voting member, such notice may be given in writing, served personally, or by mail addressed to such Director or voting member at the address that appears on the membership record books or similar records of the Club, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Such notice may instead be given by email to any Director or voting member by transmitting to such person's email address, if any, that appears on the membership record books or similar records of the Club.
- 1.10 **Waivers**
 - 1.10.1 Whenever any notice whatever is required to be given to any voting member or Director under the provisions of the Oregon Corporation or under the provisions of these bylaws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

- 1.10.2 Any action required by the Oregon Corporation to be taken at a meeting of voting members or Directors, or any other action which may be taken at a meeting may be taken without a meeting if a consent, in writing, setting forth the action so taken be signed by all of the voting members or Directors entitled to vote with respect to the subject matter thereof.
- 1.10.3 Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where 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. Neither the business to be transacted at nor the purpose of any meeting of the Board need be specified in the notice or waiver of notice of such meeting unless required by these bylaws.
- 1.10.4 Attendance at any meeting where notice is required shall constitute a waiver of any notice requirement for that meeting.

ARTICLE TWO BOARD OF DIRECTORS

- 2.1 **Management of Affairs** — The business and affairs of the Club shall be managed by its Board, which may exercise all such powers of the Club and do all such lawful acts and things as are not by statute or by these bylaws directed or required to be exercised and done by the voting members.
 - 2.1.1 **Standards of Conduct** — A director shall discharge the duties of a director, including the director's duties as a member of a committee:
 - 2.1.1.a In good faith;
 - 2.1.1.b With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
 - 2.1.1.c In a manner the director reasonably believes to be in the best interests of the Club.
 - 2.1.2 The Board shall employ, supervise, discharge and direct a General Manager (GM). The General Manager shall be the operating head of all departments and is in charge of all daily operations as per the club's annual operating budget. All department managers shall report directly to the General Manager. The General Manager may only be hired or discharged with a 70% majority vote of the entire Board of Directors.

All department managers shall be hired and discharged by the General Manager, however the General Manager will have a discussion with the Board of Directors prior to discharging the Head Golf Professional or the Golf Course Superintendent. The General Manager shall chair a hiring committee when hiring a new Head Golf Professional or Golf Course Superintendent.
 - 2.1.2.a The General Manager shall be an ex officio non-voting member of the Board. The General Manager shall attend all Board meetings and advise the elected Board members of the day-to-day operation of Club facilities. The General Manager shall also be an honorary non-voting member of all standing committees.
- 2.2 **Officers** — The principal officers of the Club shall consist of a President, Vice President, and Secretary/Treasurer, who shall also be members of the Board.

- 2.2.1 **Executive Committee** — The Executive Committee shall consist of the President, Vice President, Secretary/Treasurer and the immediate past President. The Executive Committee shall have the authority to review and approve or deny operational expenditures which by their nature require expeditious action and time does not allow for review by the full Board. Such expenditures shall not exceed \$10,000.
- 2.3 **Election of Officers**
- 2.3.1 At the first regular meeting of the Board following the Annual Membership Meeting, the Directors and the Directors-elect, who shall be in attendance at said Board meeting, shall elect the officers to serve for a term of one (1) year, commencing January 1 of the following calendar year. The election of officers shall be the only question before the Board upon which Directors-elect shall be entitled to vote. Election of officers by Directors and Directors-elect shall be by majority vote. The President shall be limited to not more than one (1) successive term in office. No Director shall be eligible to serve as an as President until the Director has served not less than one (1) year on the Board.
If any officer resigns, is removed from office, or otherwise becomes unable to serve before the end of the officer's term, the vacancy shall be filled by a vote of the majority of Directors present at the next meeting of the Board at which a quorum is present.
- 2.3.2 The Board may elect or appoint such other officers, assistant officers, and agents as it shall deem necessary or desirable, none of whom needs be a member of the Board, who shall hold their offices for such terms and shall have such authority and perform such duties as shall be determined by the Board.
- 2.4 **Number of Directors** — The number of Directors of the Club shall be nine (9).
- 2.5 **Vacancies** — Any vacancy occurring on the Board shall be appointed by election by the remaining directors and the appointee shall hold office until January 1 of the following year. At the next annual membership meeting an election shall be held to fill the remaining term of a director whose position was filled by appointment.
- 2.6 **Removal of a Director** — A director(s) elected by the voting members at an annual election or a director appointed by the Board to fill the vacancy of a director elected by the voting members may be removed from office with or without cause only at a meeting called by a petition of at least fifty (50) voting members. The meeting notice shall state that the purpose, or one of the purposes of the meeting, is the removal of the director and the director sought to be removed shall be given reasonable opportunity to be heard at the meeting. A director can be removed only by an affirmative vote of two thirds of the members voting at a meeting where a quorum is present.
- 2.7 **Term of Office** — Each Director elected at the annual meeting shall serve a term of three (3) years beginning January 1 of the following year. No voting member may serve more than two (2) consecutive three (3) year terms on the Board. No spouse of a current member of the Board shall be eligible to run for or to be elected to the Board.
- 2.7.1 A Company Member or a Company Multiple Member who has been assigned voting rights by the owner of the membership may be elected to the Board and may hold Club office.
- 2.8 **President's Duties** — The President shall preside at all meetings of the voting membership and of the Board and shall perform such duties and exercise such powers as may from time to time be delegated by the Board. The President shall, with the Secretary/Treasurer, sign all written contracts and obligations of the Club. The President shall see that all orders and resolutions of the Board are carried into effect. The President shall lead the Board to develop annual Club goals to guide preparation of the budget and review

of the General Manager's performance.

- 2.9 **Vice President's Duties** — The Vice President shall act in place of the President during the President's absence or temporary inability to serve, and in the event of a vacancy in the office of President, shall succeed to the duties of President. Succession by the Vice President to fill a vacancy of President shall not render the Vice President ineligible to serve as President during the following year.
- 2.10 **Secretary/Treasurer's Duties** — The Secretary/Treasurer shall insure that minutes are kept of all meetings of the voting membership and of the Board. The Secretary/Treasurer shall perform such other duties as may be delegated to them from time to time by the Board. The Secretary/Treasurer shall give, or cause to be given, notice of all meetings of the voting membership and of the Board.
- 2.11 **Compensation** — Officers and Directors shall serve without compensation, but shall be entitled to reimbursement for reasonable necessary expenses pursuant to the policies established by the Board.
- 2.12 **Ex Officio Members** — The Club Attorney, the Club Accountant, and the immediate past President, if that person's term on the Board has expired, shall be ex officio members of the Board without votes. They may attend all Board meetings and advise the members on matters of concern to the Club. Representatives of the Women's Club and Men's Club shall also be ex officio non-voting members of the Board.
- 2.13 **Meetings of the Board**
- 2.13.1 **Place of Meetings** — Meetings of the Board, regular or special, will be held within the State of Oregon.
- 2.13.2 **Regular Meetings** — Regular meetings of the Board may be held with notice, or without notice, and at such time and place as shall from time to time be determined by the Board.
- 2.13.3 **Special Meetings** — Special meetings of the Board may be called by the President on one (1) day's notice to each Director, either personally or by mail, telephone or electronic notice; special meetings may be called by the Vice President or Secretary/Treasurer in like manner and on like notice on the written request of three (3) Directors.
- 2.13.4 **Emergency Meetings** — When circumstances arise that require immediate action by the Board an emergency meeting may be called or if an emergency meeting cannot be held then the executive committee may institute a telephone poll of the Directors. Telephone poll decisions will be based upon an affirmative vote of the majority of the Board. Minutes of the phone poll will be kept and made part of the records of the Board.
- 2.14 **Quorum** — A majority of the total number of Directors shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present, or which was present at the beginning, shall be the act of the Board.
- 2.15 **Authority of the Board**
- 2.15.1 **Membership categories, Dues, Fees, Assessments, and Privileges** — The Board shall have the authority to establish types of membership categories or classes which the Board may determine to be in the best interest of the Club and to prescribe membership or initiation fees, dues, assessments, privileges, and requirements applicable thereto, except as otherwise provided in these bylaws or pre-existing membership agreements.
- 2.15.2 **Removal of Officer** — The Board may remove any officer at any time with or without cause by a vote of the majority of the Board. If the office of any of the officers becomes vacant for any reason, the vacancy shall be filled pursuant to section 2.3.1.

- 2.16 **Reprimands, Suspensions, Expulsions** — The Board shall have the authority to discipline any member guilty of any violation of the bylaws or rules of the Club, or for conduct prejudicial to the welfare, best interest or reputation of the Club as follows.
- 2.16.1 Reprimands — The Board shall have the authority to issue a reprimand to any member for conduct adverse to the Club.
- 2.16.2 Suspensions — The Board shall have the authority to suspend any member for a specified period of up to 60 (sixty) days for conduct detrimental to the Club. The suspended member will be required to continue to pay all dues, assessments and minimum dining charges during the term of the suspension.
- 2.16.2.a Upon the third suspension of a member, expulsion is automatic.
- 2.16.3 Expulsions — The Board shall have the authority to expel any member for conduct seriously detrimental to the Club.
- 2.16.3.a Prior to any expulsion, the Board shall give a member five (5) days written notice stating the nature of the charges, and such member shall have a right to be heard before the Board, and after such hearing the Board may, by a vote of not less than two-thirds (2/3) of the entire Board, expel such member. All voting on expulsion of a member shall be by secret ballot. The determination of the Board as to the sufficiency of the cause for suspension or expulsion shall be final.
- 2.16.3.b The resale of the membership of an expelled member will be treated as a withdrawal of membership pursuant to section 6.16.
- 2.17 **Amendment of Bylaws** — These bylaws or any part thereof may be amended by the Board on an affirmative vote of not less than two-thirds (2/3) of the entire Board at any regular or special meeting of the Board, provided that prior to said regular or special meeting the Board member proposing the amendment shall have caused the General Manager to post a copy of the proposed bylaws amendment in or about the Clubhouse in two or more conspicuous places for a period of twenty (20) consecutive days. The Board shall not be empowered to amend any bylaw in any instance in which the right to make such amendment is reserved to voting members by the laws of the State of Oregon.

ARTICLE THREE COMMITTEES

- 3.1 **Authority to Create** — The Board may create such committees from time to time as it shall deem necessary and proper for such purposes as it may designate. All committees shall have the authority only to perform and carry out the specific functions and duties which shall be prescribed by the Board for such committees.
- 3.2 **The Committees**
- 3.2.1 **Committee Names** — The standing committees may include the following: (a) House; (b) Golf; (c) Membership; (d) Green; (e) Finance; and (f) Long Range Planning. The Board may from time to time, authorize the appointment of other committees.

3.2.2 **Number of Members** — Each committee will consist of a minimum of five (5) and no more than eight (8). At least one member of each standing committee shall be an elected Director of the Club.

3.2.2.a **Standards of Conduct** — A committee member shall discharge their duties as a member of a committee:

3.2.2.a.1 In good faith;

3.2.2.a.2 With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

3.2.2.a.3 In a manner the committee member reasonably believes to be in the best interests of the Club.

3.2.2.a.4 A spouse or partner may not serve on the same committee during the same term.

3.2.2.a.5 All committee members must have a minimum of two (2) years tenure as a member of the club.

3.2.2.a.6 Board of Directors and Committee members shall serve a term of three (3) years and may serve two (2) consecutive terms, or a total of six (6) consecutive years. A Board of Director or Committee Member once serving six (6) years may serve again on said committee after an absence of (3) years.

3.2.2. A.7 All committees shall be inclusive of both genders and are encouraged to have a balance of members of different ages.

3.2.2. A.8 All committees shall submit monthly meeting minutes to the General Manager to be posted on the clubs website.

3.2.3 **Appointment of Chair** — The Chair of each committee shall be appointed by the President-elect, and shall serve for a one year term commencing January 1. The Chair of each committee shall have served on the committee for at least two (2) years, if available. The Chair shall recommend members of the committee subject to approval by the Board.

3.3 **Duties of the House Committee**

3.3.1 The House committee shall consist of the General Manager and the Executive committee.

3.3.2 The General Manager shall report as needed on maintenance plans for the clubhouse, pro shop and swimming pool.

3.3.3 Submit reports periodically to the Board of Directors evaluating the condition of the facilities and provide recommendations as needed.

3.3.4 Consider suggestions and resolve complaints of the Club's members and make recommendations to the Board on changes in Clubhouses rules when indicated.

3.3.5 Such other duties as may be requested by the Board of Directors.

3.4 **Duties of the Golf Committee**

3.4.1 Consult with the General Manager and Golf Professional on a periodic basis, or as needed, on the operation of the Pro Shop, especially with respect to (a) services provided for members, (b) enforcement of rules on the golf course, (c) playing fees and charges for guests, and (d) considerations affecting speed of play.

3.4.2 Establish guidelines and rules governing the keeping and use of private power golf carts and recommend needed changes to the Board.

3.4.3 Review and revise, if needed, golf course rules to govern play. The rules shall be submitted to the Board for approval.

3.4.4 Supervise golf handicap procedures and records used to establish handicaps for members of the Club.

- 3.4.5 Receive and discuss member input regarding all aspects of club-sponsored tournaments, and consult with tournament chairpersons and/or the Board regarding any changes proposed by the Committee. "Club-sponsored tournaments" are all tournaments except those conducted by outside groups.
- 3.4.6 The committee shall be made up of members that have a variety of handicaps and who actively participate in club golf events. Inclusive of both genders and both walkers and power cart riders. The Head Golf Professional and current Handicap chair shall serve on the committee.
- 3.4.7 Such other duties as may be requested by the Board.

3.5 Duties of the Membership Committee

- 3.5.1 The Membership Committee shall recommend programs to attract new members whenever memberships are available or in prospect, and recommend programs to improve member satisfaction and retention.
- 3.5.2 The committee shall be made up of members that have experience in marketing, advertising and sales. Members who have experience in running a successful business or department of a business. Inclusive of both genders. The Newsletter Editor and Catering Sales Manager shall serve on the committee.
- 3.5.3 Such other duties as may be requested by the Board.

3.6 Duties of the Greens Committee

- 3.6.1 Consult with the General Manager and Golf Course Superintendent on a regular basis on the following:
 - a. Establishment and performance of seasonal and monthly maintenance plans and procedures.
 - b. Any physical changes to the golf course, from any source, including, but not limited to, bunkers, greens, rough, fairways, teeing areas, ponds, and the removal, replacement of physical changes to trees.
 - c. Consider suggestions and resolve complaints from Club members regarding maintenance and physical playing conditions of the course.
 - d. Make recommendations to the Board or Golf Committee on changes in golf course rules.
 - e. Provide minutes of Committee meetings.
- 3.6.2 The committee shall be made up of members with a variety of handicaps and inclusive of both genders. The Head Golf Professional, Superintendent and Assistant Superintendent are members of this committee.
- 3.6.3 Such other duties as may be requested by the Board.

3.7 Duties of the Finance Committee

- 3.7.1 Insure the timely preparation and review of an annual budget for presentation to the Board at its regular December meeting, or as soon thereafter as possible.
- 3.7.2 Analyze each monthly financial statement and provide a summary for the Board.

- 3.7.3 Advise the Board on all financial matters pertaining to the Club, as needed.
- 3.7.4 As needed, determine the accounting and auditing services required by the Club and recommend them to the Board.
- 3.7.5 The committee shall be made up of members that have financial backgrounds; CPA's, controllers, bankers, members who have been financially responsible for running a private sector for profit company. Inclusive of both genders.
- 3.7.6 Such other duties as may be requested by the Board.

3.8 **Duties of the Long Range Planning Committee**

- 3.8.1 The Long Range Planning Committee shall undertake planning duties as assigned by the Board.
- 3.8.2 The committee shall be made up of members that have experience in construction, engineering, community planning, landscaping etc.
- 3.8.3 Such other duties as may be requested by the Board.

**ARTICLE FOUR
MEETINGS**

- 4.1 **Location of Meetings** — Meetings of the voting members shall be held at the principal place of business of the Club, or at any other place as shall be designated in the notice of the meeting.
- 4.2 **Date of Annual Membership Meeting** — An annual membership meeting shall be held on the second Thursday of October of each year, or as soon thereafter as possible, when the members shall elect Directors as required and transact such other business as may properly be brought before the meeting.
- 4.3 **Special Meetings** — Special meetings of the voting members may be called by the President or by five members of the Board or by a petition of fifty (50) voting members.
- 4.4 **Notice** — Written or printed notice stating the place, day and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary or the officer or persons calling the meeting, to each voting membership of record at such address as appears on the records of the Club.
- 4.5 **Agenda** — Business transacted at any special meeting shall be confined to the purpose or purposes in the notice thereof.
- 4.6 **Quorum** — The holders of thirty percent (30%) of the voting memberships, represented in person, by proxy, or by mail-in ballot shall constitute a quorum at all meetings of the voting membership for the transaction of business. If a quorum does not attend and is not represented by proxy or mail-in ballot, a majority of those present though less than a quorum, may adjourn the meeting to a future date and time, without notice other than announcement at the meeting, where a quorum shall be present or represented.
- 4.7 **Voting** — When a quorum is present or represented at any meeting, the vote of the majority of the voting memberships, present in person or represented by proxy or mail-in ballot, shall decide any question brought

before such meeting, unless the question is one upon which, by express provision of the statutes or these bylaws, a different procedure or vote is required, in which case such express provision shall govern and control the decision of such question.

- 4.7.1 One ballot shall be allowed per dues-paying voting membership.
- 4.8 **Proxy** — Each voting membership shall be entitled to one (1) vote on each matter submitted to a vote at a meeting of voting members. A voting member may vote either in person, by proxy appointed in writing by the voting member, or by mail-in ballot. The proxy and the mail-in ballot shall be on forms provided by the Club. No proxy shall be valid after the election for which the proxy was granted.
- 4.9 **Order of Business** — The order of business at each annual meeting of the voting membership shall be as follows: reading of the minutes; report of Secretary/Treasurer; report of the President; election of Directors; report of committees; open discussion and suggestions on new and old matters of interest to the Club.
- 4.10 **Rules of Order** — Where not otherwise provided herein, Robert's Rules of Order, Revised, shall govern the rules of procedure of all meetings.

ARTICLE FIVE ELECTIONS

- 5.1 **Nomination of Directors** — At the regular June Board of Directors meeting, the President shall present two candidates for Board approval. Each candidate will chair one of the two nominating committees. Subsequently, the President, in collaboration with each Board approved nominating committee chair, shall name four additional voting members to each nominating committee. On or before August 1, the President shall announce and post the names of the chairs and members of the two nominating committees. Each committee so appointed shall, without conferring with members of the other nominating committee so appointed, select a list of candidates, naming at least one (1) candidate for each directorship to be filled. No one shall serve as chair of a nominating committee for two consecutive years. No one serving on a nominating committee is eligible to be nominated by either committee but is eligible for nomination under the petition process as described herein. On or before September 1, the two lists of candidates shall be delivered to the Administrative Assistant and shall be posted. During the first twenty (20) days of the month of September, any voting member shall have an opportunity to nominate any other voting member for a directorship by delivering a written petition signed by a minimum of twenty-five (25) voting members to the Administrative Assistant. Each candidate, whether nominated by a nominating committee or by a petition of voting members, shall be responsible for submitting a ½ page statement of qualifications and intentions for becoming a director to the Administrative Assistant on or before the 21st of September. On or before September 28, a voters' pamphlet, including a picture of and a ½ page statement from each candidate, shall be distributed to each voting member. Each candidate presented in the voters' pamphlet shall also appear on the ballot; names of candidates shall be listed in alphabetical order in the voters' pamphlet and on the ballot.
- 5.2 **Election of Directors** — Three (3) Directors shall be elected at each annual meeting of the voting members to serve a term of three years.

ARTICLE SIX MEMBERSHIP

After acceptance of membership by the Board, all members of the Club shall be deemed to have knowledge of, and

agreement with these bylaws, as well as published rules and operating procedures of the Club, and any amendments made thereto.

6.1 **Approval by Board** — No person may be accepted for membership without approval of the Board; no person rejected shall again be proposed for membership until the expiration of six (6) months from the date of such rejection.

6.2 **Classifications of Membership**

6.2.1 The membership shall consist of voting and non-voting members. Classifications of membership shall include:

6.2.1.1 Family, Individual, Company, Company Multiple, SHCC Corporate, and Founding Members, which are voting, golfing memberships, unless otherwise provided in these bylaws.

6.2.1.2 Junior Executive golfing memberships become voting memberships after two years of continuous membership at the club.

6.2.1.3 Social and Social Sports, which are non-voting memberships, except as they may qualify as voting memberships under bylaw 6.3.

6.2.1.4 Other membership classifications that exist *prior to* the date of adoption of these revised bylaws shall remain in effect only for the specific members to whom they currently apply.

6.3 **Descriptions of Voting Memberships**

6.3.1 **Voting Members** — Voting members are those members who have paid an initiation fee for a golfing membership or social voting membership, and other voting memberships in existence as of the date of the adoption of these revised by-laws.

6.3.2 Voting members may hold more than one membership, providing dues and assessments are maintained for all memberships owned. Each membership qualifies for one vote.

6.3.3 Company multiple memberships shall have one vote. That vote shall be cast by the person whose name is designated as having the authority to vote according to the records of the Club.

6.3.4 A voting member has the right to vote and hold office. Unless converted to a voting non-equity membership pursuant to these Bylaws, a voting member has an equity interest in the assets of the Club as provided for in these bylaws.

6.3.5 Voting members shall pay the dues and assessments that apply to their membership categories as established by the Board.

6.3.6 **Conversion from voting equity to voting non-equity.**

6.3.6.a Notwithstanding any other provision contained in these Bylaws, a voting equity member as of May 10, 1993, may elect to surrender such equity interest and become a voting non-equity member in lieu of paying an improvement assessment for golf course improvements undertaken in 1992, 1993 and 1994. Such election to surrender such equity must be exercised by the voting equity member.

A voting non-equity member shall have all of the rights, benefits and obligations of a

voting member except such voting non-equity member shall have no equity interest in the assets of the Club and shall have no right to a refund or reimbursement upon the sale, transfer, or surrender of the voting non-equity membership, including, but not limited to, the 90% refund as to a founding membership and 40% refund of a voting equity membership. A voting non-equity membership shall be subject to such other rules, regulations and policies as established by the Board from time to time, including, but not limited to, establishment of dues, liability for assessment, and conversion privileges to other membership types. Except as provided for herein upon surrender of existing voting equity memberships, there shall be no additional voting non-equity memberships unless expressly authorized by the Board.

- 6.3.6.b Upon surrender of a regular voting equity membership and the conversion to a voting non-equity membership, such member's present equity will be applied as a credit toward the 1992, 1993 and 1994 golf course improvement assessment of \$3,000 at the rate of \$25 per month until that equity balance is exhausted. Upon exhaustion of that equity balance, a \$25 improvement assessment will be charged each month until a total assessment of \$3,000 has been paid or credited. If a voting member chooses to surrender their equity membership and become a voting non-equity member and the value of their equity in the membership is greater than \$3,000, there will be no additional charges and any excess equity, on the date of conversion, above \$3,000 shall be due as a refund upon termination.

6.4 **Golfing Memberships**

- 6.4.1 **Family Memberships** — Golfing family memberships shall be defined and include the named individual member (over the age of twenty-one (21)) and such named individual member's spouse or spousal equivalent, and children under the age twenty three (23). Family members shall enjoy use of all club facilities and club privileges subject to and in accordance with policies, procedures, rules and regulations established by the Board of Directors. A Family membership may change to an individual membership upon written application to the Board.
 - 6.4.1.A Married or Spousal Equivalent couples may apply for a Family Membership under a joint tenancy, right of survivorship provision. In the event of the death of a spouse or spousal equivalent, the surviving spouse or spousal equivalent could then retain the membership, and no transfer fee would be charged.
 - 6.4.1.b **Spousal Equivalent** — A spousal equivalent may be of the same or opposite sex as the named individual member, and the named member and spousal equivalent must establish to the satisfaction of the Board the long-term committed nature of their relationship before a Family Membership will be granted to them. At a minimum, they must meet the following criteria: not be related by blood or marriage; be engaged in a long-term relationship; and share the same household.
 - 6.4.1.c **Designation.** A member may twice in his or her lifetime designate a spousal equivalent. At a minimum, the spousal equivalent may not be related by blood or marriage to the member, shall be engaged in a romantic relationship with the member, and the member and the spousal equivalent shall share the same household. The member shall be responsible for all charges incurred by the spousal equivalent. A spousal equivalent designation must be terminated in writing by the member, at which time the spousal equivalent shall cease to have any membership rights or privileges with the Club.
- 6.4.2 **Individual Memberships** — Individual memberships shall be persons over the age of twenty-

three (23). An Individual member's spouse and family shall not enjoy golfing privileges; however, the individual member's spouse and unmarried children under the age of twenty-three (23) years, or children under the age of twenty-three (23) that are full time students, unmarried, living at home shall enjoy the use of club facilities and other club privileges in accordance with policies, procedures, rules and regulations established by the Board of Directors. An Individual membership may change to family membership upon written application to the Board.

- 6.4.3 **Junior Executive Memberships (JEM)** - Junior Executive Memberships shall be for persons under the **aged thirty five (35) years and under**, and may be either Family or Individual and subject to the conditions of Family or Individual memberships as described in sections 6.4.1. and 6.4.2, with the exception of the “over 23 years of age” requirement. **A JEM shall pay a joining fee and monthly fees as set by the Board.** Upon reaching the age of **thirty-six (36)** years, the JEM shall convert to a Family or Individual membership and be subject to the conditions of Family or Individual memberships as described in sections 6.4.1. and 6.4.2., **including monthly fees as set by the Board.** Applications for JEM’s for persons under the age of twenty-three (23) shall be co-signed by a parent or guardian as guarantor for any indebtedness incurred by the JEM until the JEM reaches the age of 23. Junior Executive Members under the age of 18 shall abide by the playing schedule and other rules of the Club as set forth for Junior Members.
- 6.4.4 **Junior Executive Legacy Memberships (JELM)** - Junior Executive Legacy Memberships are a child or grandchild of an active, voting member of the Club whom may join as a Legacy Member in any membership category provided by these bylaws, subject to the same rights, conditions, fees and charges for such membership category, except that a Legacy Member shall be required to pay only one-half the regular joining fee charged to members under that membership category. Legacy Members are not a separate membership category, but shall be designated within the membership category selected.
- 6.4.5 **Weekday Memberships** - Weekday members shall have full golfing privileges Monday through Friday excluding holidays subject to and in accordance with the policies, procedures, rules and regulations established by the Board of Directors. Weekday members shall not be eligible to play in the Club Championship or be entitled to reciprocal privileges. Weekday memberships shall not include any equity or voting rights. Weekday memberships may upgrade to a full Golfing Membership and receive credit for the Weekday membership Joining Fee. Weekday members shall not be allowed to resign a weekday membership and rejoin as a weekday member at a later date without approval by the Board for good cause shown. An application for an Individual or a Family membership shall be given precedence over an application for a Weekday Membership.
- 6.4.6 **Company Memberships** — Any persons, firm or company having employees may purchase a Company Membership in which case the firm or company is the owner of the membership and is responsible for all **monthly charges as established by the Board and** indebtedness for designated employees. The owner may designate an employee to receive the benefits of the membership. The designated employee shall have all the rights and privileges of **one of the membership categories described in section 6.2.1**, except the employee is not the owner of the membership and may not vote, unless assigned voting rights by the owner. Upon termination of the employment of such employee, or for any reason deemed adequate by the Board, the use of the membership may be transferred to another designated employee upon the following conditions:
- 6.4.6.a Written application of the owner of the membership requesting such transfer to a designated employee.
- 6.4.6.b Written application for membership by the newly designated employee.
- 6.4.6.c Approval of the transferee's application by the Board.

6.4.6.d Payment of a transfer fee as established by the Board.

6.4.7 **Company Multiple Memberships** — Company Multiple memberships are established for any firm or corporation having employees. The company will pay an initiation fee established by the Board and will be required to maintain a minimum of two to six dues-paying members either golfing, or social members who are employees or owners. The holders of Company Multiple Memberships, at the time of adoption of these revised bylaws, where only one membership is currently activated shall not have to meet the minimum membership requirement.

6.4.7.1 If the company surrenders its membership the company would be entitled to a \$1,400 refund in accordance with Club procedures. If the membership was a conversion of a Founding Membership the company would be entitled to \$3,150 refund in accordance with Club procedures.

6.4.7.1.a Upon surrender of the Company Multiple Membership by the company then all memberships within the company's multiple membership will be automatically terminated.

6.4.7.2 Upon termination of the use of the membership by an employee, the use of the membership may be transferred to another designated employee under the following conditions:

6.4.7.2.a Written application from the company requesting such transfer to a designated employee.

6.4.7.2.b Written application for membership by the newly designated employee.

6.4.7.2.c Approval of the transferee's application by the Board.

6.4.7.2.d Payment of a transfer fee established by the Board.

6.4.7.3 There will be a maximum of 25 Company Multiple Memberships. Those memberships in excess of 25 as of 1/1/95 shall not be affected by this limitation.

6.4.7.4 In the event that a full golfing membership has been reached and a waiting list exists, then any prospective additions to an existing Company Multiple Membership shall be conditional upon meeting the terms of the waiting list, and payment of a processing fee established by the Board.

6.4.7.4. a If the change of membership within a Company Multiple Membership is a transfer (e.g.: one in, one out) with no net gain in total Club golfing memberships, then the transfer would not be subject to the waiting list as long as all dues, assessments and other minimum charges are kept paid on a current basis on the membership being transferred.

6.4.7.5 Voting members who converted a membership to a Company Multiple Membership shall retain their original membership status for purposes of real estate development per 6.9.2, 6.10.3, 6.11.2 and 6.12.

6.4.7.6 The owner/owners of the membership will be responsible for all indebtedness for the memberships under the Company Multiple Membership.

6.4.8 **SHCC Corporate Memberships** — SHCC Corporate Memberships are established to

accommodate situations in which speed of transfer of membership privileges is at a premium.

- 6.4.8.1 SHCC Corporate Memberships are owned by SHCC and leased to bonafide corporations, limited liability companies and similar legitimate business or public entities (including, for example, educational institutions), for a period of fifty consecutive years. A SHCC Corporate Membership entitles the entity holding the lease to designate one person to occupy an Individual or Family Membership position at SHCC (the “Designee”). A SHCC Corporate Membership position is a golfing, non-voting, non-equity position.
- 6.4.8.2 An entity holding a SHCC Corporate Membership lease will be granted first right of refusal to renegotiate a subsequent SHCC Corporate Membership lease when the current lease expires.
- 6.4.8.3 An entity holding a SHCC Corporate Membership lease may terminate its Corporate Membership lease at any time upon 90 days’ notice to the General Manager.
- 6.4.8.4 The initiation fee for leasing a SHCC Corporate Membership is twice the current SHCC Golfing Membership initiation fee.
- 6.4.8.5 A Designee must be a bona fide employee, Executive, Director, Officer or Representative of the entity leasing the SHCC Corporate Membership subject to the following:
 - 6.4.8.5.a A Designee must have a written membership application on file with SHCC.
 - 6.4.8.5. b The holder of a SHCC Corporate Membership lease may designate a new Designee at any time. There is no limit to the number or frequency of transfers of each SHCC Corporate Membership.
- 6.4.8.6 The corporation and the individual holding a SHCC Corporate Membership spot are jointly and fully responsible for all fees and charges incurred by the person designated by the corporation to fill the membership position.
- 6.4.8.7 Each Designee is subject to all termination and procedures provided for in these bylaws.
- 6.4.8.8 Qualification for Corporate Membership eligibility. There are no foolproof definitions of a bona fide business or public entity for which exceptions could not be found. Criteria that should be considered, among others, are: registration with an appropriate State as an entity authorized to do business, the size of the entity, the length of its existence, a Federal Tax Identification Number. Likelihood of regular transfers will be a consideration. The Board may approve or deny a Corporate Membership application in the Board’s sole discretion.
- 6.4.8.9 Implementation of the leasing of the 24 SHCC Corporate Membership positions designated by the Board of Directors on November 19, 1997.
 - 6.4.8.9.a When the first SHCC Corporate Membership position reaches the top of the Membership Waiting List, two waiting lists will be established: a SHCC Corporate Membership Waiting List and a SHCC Golfing Membership Waiting List. Filling membership positions from the waiting lists will proceed as follows: Each time a golfing membership opening occurs, the opening will be offered first to the SHCC Corporate Membership Waiting List. If after 15 days the opening is not leased to an entity the opening will be offered to the Golfing

Membership Waiting List.

- 6.5 **Maximum Number of Golfing Memberships** — Unless and until changed by these bylaws, the number of golfing memberships shall be limited to **475**. Weekday membership shall be limited to **35** memberships.
- 6.5.1 A golfing membership is a Family, Individual, Junior Executive Legacy, Junior Executive, Weekday, Prepaid, Founding, Company, and each person playing under a Company Multiple Membership.
- 6.6 **Waiting List** — Once a full golfing membership is reached a waiting list will be established with conditions set by the Board.
- 6.7 **Voting Social Memberships** — Founding Members with 90% equity may make application to convert their golfing Membership to a Voting Social Membership. At the time the golfing Membership is converted to a Voting Social Membership, the Founding Member's equity is frozen at the current golfing initiation fee required to join the Club. Monthly dues and assessments for a Voting Social Member are the same as those established for Social Members.
- 6.8 **Social and Social Sports Memberships** – Social Memberships and Social Sports Memberships are as follows:
- 6.8.1 Social Memberships allow use of all of the facilities of the Club except the golf course and golf practice areas, subject to joining fee and monthly charges as established by the Board.
- 6.8.2 Social Sports Memberships allow all the privileges of a Social Membership, plus **use of the golf practice facility**, subject to joining fee and monthly charges as established by the Board.
- 6.9 **Founding Members**
- 6.9.1 **Definition** — A voting member who has maintained a continuous dues paying membership and who purchased that membership prior to March 31, 1986, is a Founding Member. This includes a Company Membership purchased prior to that date. A Founding Membership includes the following additional benefits.
- 6.9.2 **Real Estate** — In the event of any future real estate development of the property adjacent to the golf course, Founding Members shall be entitled to one entry per membership in a lottery to determine order of choice for a right of first refusal on the purchase of lots or units in said development.
- 6.9.3 **Equity** — Upon surrender of a membership as provided in these bylaws, a Founding Member shall receive a refund of 90% of the initiation fee at the time of surrender or 90% of the initiation fee paid to join whichever is less, of SHCC memberships upon the sale of the surrendered membership.
- 6.9.4 **Transfer of Membership** — A Founding Member may make one transfer of ownership of a Founding Membership to a spouse, child or grandchild. A transfer fee of 10% of the current initiation fee for a voting membership shall be paid to the Club at the time of transfer. Ownership of a Founding Membership may not be transferred a second time.
- 6.9.5 **Survivorship** — A Founding Membership owned jointly by spouses, with right of survivorship, may be transferred upon the death of a spouse to the survivor. No fee for this transfer shall be required. A subsequent transfer as provided for in paragraph 6.9.4, above, is allowed.

- 6.9.6 **Founding Members 62 Years and Older** — Upon surrender of equity by a founding member who is **62** years of age or older at the time of surrender, no additional assessments for any proposed renovation or improvement or any future assessments for course improvements under the Master Plan will be levied so long as such member remains a voting non-equity member.
- 6.9.7 **The Founders' Circle** — Upon reaching age **62**, Founding Members, who have retained their 90% equity unencumbered, may elect to join the Founders' Circle by exchanging their 90% equity for the following:
1. A Voting Social Membership (Individual or Family) with unlimited access to the golf course, and participation is welcomed in organized annual competitive play (e.g., Senior Men's Invitational, Me and My Shadow, Shadow Hills Women's Invitational, etc.).
 2. Monthly dues equal to 60% of current golfing members' dues. Dues will be a fixed amount.
 3. Dining assessment equal to 60% of current golfing members' dining assessment. Dining assessment will be a fixed amount.
 4. No additional assessments for any proposed renovation or improvement or any future assessments for course improvements.
 5. No special assessments, e.g., pro shop fee.
 6. Founding Members benefits: **Real Estate** as specified in 6.9.2, **Transferability** of a 0 equity, voting social membership as specified in 6.9.4, **Survivorship** transfer of a 0 equity, voting social membership as specified in 6.9.5. Transferred Founder's Circle memberships may be converted to Golfing Memberships by moving up the membership waiting list, if one exists. No initiation fee is required; a conversion fee (10% of the current initiation fee is required).
- 6.9.8 Founding Members will each be counted as .5 member-equivalent for purposes of calculating member numbers under Section 6.5.

6.10 **Members Joining After April 1, 1986 but Prior to June 1, 1993**

- 6.10.1 **Definition** — Voting members who purchase their memberships after March 31, 1986, have the following benefits:
- 6.10.2 **Survivorship** — A membership owned jointly by spouses, with right of survivorship, may be transferred upon the death of a spouse to the survivor. No fee for this transfer shall be required.
- 6.10.3 **Real Estate** — In the event of any future real estate development of the property adjacent to the golf course, voting members shall be entitled to one entry per membership to determine order of choice for right of first refusal on the purchase of any lots or units in said development remaining after sale to Founding Members, by lottery, pursuant to 6.9.2. above.
- 6.10.4 **Equity** — Upon surrender of a membership, as provided in the bylaws, a voting member shall receive a refund of 40% of the initiation fee at the time of surrender of SHCC memberships upon the sale of the surrendered membership.

6.11 **Members Joining after June 1, 1993**

- 6.11.1 Voting members who purchase their memberships after June 1, 1993 upon surrender of their membership after being a member of the Club for 2 consecutive years shall receive a refund of 10% of the then initiation fee at the time of surrender of SHCC memberships upon sale of the surrendered membership. If any membership is terminated before the expiration of 2 years the member shall receive no refund.
- 6.11.2 **Real Estate** — In the event of any future real estate development of the property adjacent to the golf course, voting members purchasing after June 1, 1993 shall be entitled to one entry per membership to determine order of choice for right of first refusal on the purchase of any lots or units in the development remaining after sale to founding members, by lottery, pursuant to 6.9.2. and to members joining between March 31, 1986 and June 1, 1993 pursuant to 6.10.3.
- 6.11.3 **Survivorship** — A membership owned jointly by spouses, with right of survivorship, may be transferred upon the death of a spouse to the survivor. No fee for this transfer shall be required.
- 6.12 **Sale of Real Estate — Purchase Price** — The purchase price for any lots or units sold to voting members pursuant to the provisions of 6.9.2., 6.10.3. or 6.11.2. above shall be set by the Board at the time that said lots or units are offered for sale.
- 6.13 **Conversion of Membership from Social to Golfing** — Social members wishing to become golfing/voting members may receive credit for their original initiation fee toward the current initiation fee of a golfing membership. (This provision shall also apply to any non-resident membership in existence at the time of adoption of these revised by-laws.)
- 6.14 **Withdrawal of Membership**
 - 6.14.1 **Notice** — Should a person wish to withdraw from membership, written notice must be given to the Board. Voting memberships must be surrendered to the Board for resale. The Club must sell memberships in the following order:
 - 6.14.1.a Memberships of deceased members surrendered for resale.
 - 6.14.1.b Memberships of withdrawing members.
 - 6.14.1.c Memberships held by the Club.
 - 6.14.2 **Minimum Memberships Required for Resale** — Any surrendered membership will be deemed resold immediately for purposes of this Article Six, and equity amount paid to the withdrawing member, if more than 450 voting memberships exist on the Club rolls as of the date of surrender, calculated using the Club's ordinary method for computation of memberships. If less than 451 voting memberships exist at the time of surrender, then such surrendered membership will be deemed resold only upon replacement of the surrendered membership, and equity amount will be paid only from current amounts received as membership initiation fee payments unless the Board determines a different time and manner of payment. Payment shall be made in the same order that memberships are surrendered.
 - 6.14.3 **Conditions of Transfer of Membership** — Under no circumstance may a membership be transferred from one party to another without approval of the Board and without the transaction being handled by the Board, its agents or employees.
 - 6.14.4 **Sale of Membership to Club** — If, for any reason, a withdrawing member wishes to sell a membership for less than they may be due by way of refund or contract, they may offer the membership to the Club, but to no other party; the Board may or may not elect to purchase the

membership at an agreed upon price. If purchased by the Club, the membership may not be resold as anything but a membership "held by the Club" as required by this section.

- 6.14.5 **Surrender of Membership/Last Month's Dues** — Should a member wish to withdraw from membership and to surrender his/her membership to the Club for resale, that member shall be required to pay dues for the month in which the notice of termination of membership was received in the office of the Club, and *the two following months*. The member shall be entitled to full use of the Club facilities for each month for which dues are paid.

6.15 **Leave of Absence**

- 6.15.1 **Humanitarianism** — A leave of absence may be granted one time only for humanitarian reasons to any member at the discretion of the General Manager and the Executive Committee. A leave of absence may be granted only in critical or serious situations that have arisen for reasons beyond the member's control.

6.15.1.a Situations that justify a leave of absence include, but are not limited to; (1) a member whose life has been disrupted by severe illness or physical impairment that make utilization of Club facilities very difficult or impossible; (2) a member whose financial circumstances have temporarily disrupted the member's livelihood, such as loss of employment. The General Manager and Executive Committee may use judgment to accept other circumstances beyond a member's control to justify a leave of absence.

6.15.1.b Monthly dues and minimum dining charges are waived for the member during the leave of absence. Any improvement assessment accrued during the leave of absence is due when the membership is re-activated. A member relinquishes all club privileges during the leave of absence.

6.15.1.c The leave of absence is a temporary status for a minimum of one year and maximum of two years designed to allow time to recover full membership usage or to decide to relinquish membership. Members seeking to shorten the one-year minimum may make a written request to the General Manager and the Executive Committee as described in 6.17.2.

6.15.1.d If the requested membership category is full when a member requests re-activation, the request will be put on any existing waiting list under the conditions established for the waiting list.

6.15.1.e Vacations, temporary non-residency, or short term medical problems are not valid conditions for request for a leave of absence.

6.16 **Member Accounts**

- 6.16.1 **Billing Date** — Monthly dues and membership fees shall be billed in advance for each calendar month. All other indebtedness incurred during any month shall be billed to the member no later than the closing billing date of that month.

- 6.16.2 **Past Due Account** — Payment of the account balance shown on the member's monthly statement is due by the fifteenth (15th) day of the month following the billing. Any remaining balance not paid prior to the next billing date shall be considered past due. A late payment penalty of one and one-half percent (1.5%) per month (eighteen percent (18%) annual rate) will be applied to the past due balance and charged to the member's account.

- 6.16.3 **Delinquent Account** — Any member's Club or Pro Shop charges that are not paid in full within 60 days of the date of billing shall be considered delinquent. The General Manager shall have the authority to suspend charge privileges of members with delinquent accounts. The member shall be notified in writing that charge privileges have been suspended. The suspension shall remain in effect until the member's account is brought current. Failure to pay delinquent accounts in full may, at the discretion of the Board, result in termination of membership. In the event the Club puts the delinquent account in the hands of an attorney or third party agency for collection, the member promises and agrees to pay the Club's reasonable attorney's fees and collection costs, even though no suit or an action is filed thereon; however, if a suit or an action is filed, the amount of such reasonable attorney's fees and collection costs shall be fixed by the court or courts in which suit or action, including any appeal thereon, is tried, heard, or decided, and such amounts shall be included in the judgment, and such judgment shall bear interest at the rate of eighteen percent (18%) per annum.
- 6.16.4 **Responsibility for Indebtedness** — Every member shall be responsible and liable to the Club for all indebtedness incurred by the member's spouse, children and guests.
- 6.16.5 **Termination for Non Payment/Sale of Membership** — The Board is authorized to terminate the membership of a member whose account is delinquent, and call in and sell the membership held by a member whose account is delinquent, and apply the proceeds from the sale of such membership to payment of such delinquent account, refunding any overage to such member subject to the provisions of these bylaws.
- 6.16.6 **Pro Shop Credit Book** — This account is made up of Pro Shop Credit won while participating in Golf Events in an amateur status. The credit will have no cash value and can only be used to purchase Pro Shop merchandise. The Credit can only be used by the family within the membership of that SHCC member and in no case, is it transferable outside of that membership. The maximum credit that can be carried over into the next calendar year is \$1,000.00, any credit beyond that amount will be deleted from the Members Credit Book at year end. This program will go into effect in 2018.
- 6.17 **Changes in Membership Status**
- 6.17.1 Members who desire to make temporary changes in membership status such as Family to Individual, golfing to Social, etc. must submit a written application to the General Manager and the Executive Committee of the Board. Any membership status change shall be for a minimum term of one year. A member who changes his or her status under this provision shall be responsible for the payment of all dues and assessments applicable to the member's new status. If the change in status was from golfing to non-golfing and the member wants to change back to golfing, then the application for status change will be put on any existing waiting list under the conditions established for the waiting list. At the time a golfing membership becomes available, the member will pay any assessments that were assessed against golfing members during the term of the member's non-golfing status, and will begin to pay current golfing dues and assessments.
- 6.17.2 Members seeking to shorten the one year minimum requirement of 6.17.1 above may make a written request to convert back to prior membership status to the General Manager and the Executive Committee of the Board. The request must specify the reasons for the waiver of the one year minimum term. All such requests will be allowed or denied at the sole discretion of the Executive Committee.
- 6.18 **Advance Payment of Dues For Fundraising Program** – As part of a fundraising program for construction of a new clubhouse, the Board of Directors may authorize prepayment of dues at any time up to and including December 31, 2012, for up to 20 memberships (“Prepaid Members”), upon the following

terms:

- Prepaid Members shall be excused from payment of monthly membership dues for one of the following periods, for a cost and upon terms determined by the Board, except as otherwise specified in this Section 6.18:
 - a) 5 years for the member and the member’s surviving spouse or spousal equivalent, with full transferability of any remaining term to any club member, or
 - b) 10 years for the member and the member’s surviving spouse or spousal equivalent, with full transferability of any remaining term to any club member, or
 - c) for the life of the member or the member’s surviving spouse or spousal equivalent, with a minimum term of 25 years, with the remaining portion of the 25-year minimum term to be fully transferable to any club member; upon transfer, the life term will be deemed to expire.
- Prepaid Members shall be subject to food minimums, assessments and charges other than monthly dues to the same extent as regular members, except that Prepaid Members will be exempt from assessments for the new clubhouse project planned for approximately years 2010 to 2013.

ARTICLE SEVEN MISCELLANEOUS

7.1 In construing these bylaws, and when the context so requires, the singular shall include the plural and the masculine shall include the feminine and neuter, and all grammatical changes shall be implied to make the provisions hereof apply equally to all persons. The Board of Directors shall be listed throughout these bylaws as the Board.

7.2 Women's and Men's Clubs

7.2.1 **Women's Club** — The women of Shadow Hills Country Club are authorized to have a voluntary organization known as a Women's Club.

7.2.1.a The Women's Club shall be self-governing, providing however, that all bylaws and rules adopted by the Women's Club shall not conflict with the bylaws and rules of Shadow Hills Country Club.

7.2.2 **Men's Club** — The men of Shadow Hills Country Club are authorized to have a voluntary organization known as a Men's Club.

7.2.2.a The Men's Club shall be self-governing, providing however, that all bylaws and rules adopted by the Men's Club shall not conflict with the bylaws and rules of Shadow Hills Country Club.

7.3 Clubhouse Maintenance Plan / Building Maintenance Reserve Account

The club shall maintain a “Clubhouse Maintenance Plan” and a dedicated “Building Maintenance Reserve Account” for the purpose of keeping the like-new condition of the clubhouse and its grounds, the parking lots, roadways and the ingress / egress areas to the club.

The Maintenance Plan and Reserve Account shall be updated annually by the finance committee’s

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budgeting process. The recommendations will be presented to the board annually for review and approval. The Building Maintenance Reserve Account shall be used exclusively for repair, maintenance and replacement of the items as described in the latest revision of the Clubhouse Maintenance Plan. Using funds from the Building Maintenance Reserve Account for any other purpose may occur only with a majority vote of the entire Finance Committee and a 70% majority vote of the entire Board of Directors.