

EXHIBIT "C"

**OLDE VINE GOLF CLUB**

**BYLAWS**

# OLDE VINE GOLF CLUB, INC.

## TABLE OF CONTENTS

<b>TABLE OF CONTENTS.....</b>	<b>1</b>
<b>ARTICLE I DEFINITIONS.....</b>	<b>1</b>
<b>ARTICLE II PURPOSE AND DURATION OF CLUB.....</b>	<b>2</b>
<b>ARTICLE III CLUB EMBLEM.....</b>	<b>3</b>
<b>ARTICLE IV MEMBERS MEETINGS .....</b>	<b>3</b>
1. Annual Meeting.....	3
2. Date and Place of Annual Meeting.....	3
3. Special Meeting.....	3
4. Notices .....	3
5. Quorum .....	4
6. Proxies.....	4
7. Voting Percentage .....	4
8. Action Without Meetings.....	4
9. Electronic Voting .....	4
10. Fixing of Record Date.....	4
<b>ARTICLE V BOARD OF DIRECTORS .....</b>	<b>5</b>
1. Number and Qualifications .....	5
2. Nominating.....	5
3. Elections.....	6
4. Term of Office .....	6
5. Removal of Directors .....	6
6. Board of Governors.....	6
7. Turnover Committee .....	6
<b>ARTICLE VI MEETINGS OF BOARD OF DIRECTORS.....</b>	<b>7</b>
1. Annual Meeting.....	7
2. Quorum .....	7
3. Regular Meetings .....	7
4. Special Meetings .....	7
5. Notice.....	7
6. Board Action.....	8
7. Action Without Meetings.....	8
8. Telephonic Meetings.....	8
9. Executive Session.....	8
<b>ARTICLE VII POWERS OF THE BOARD OF DIRECTORS .....</b>	<b>8</b>
1. Management of Club.....	8
2. Duties and Powers.....	8
3. Issuance of Memberships.....	9
4. Compensation.....	9
5. Interpretation of Bylaws.....	9
6. Club Manager or Management Company .....	10
<b>ARTICLE VIII OFFICERS.....</b>	<b>10</b>

**ARTICLE IX DUTIES OF OFFICERS.....10**

- 1. President.....10
- 2. Vice President .....10
- 3. Secretary.....10
- 4. Treasurer .....10
- 5. Other Officers .....11
- 6. Duties of Officers.....11
- 7. Removal From Office .....11

**ARTICLE X COMMITTEES.....11**

- 1. Executive Committee .....11
- 2. Standing Committees .....11
- 3. Ad Hoc Committees .....13
- 4. Powers of Committees .....13
- 5. Terms of Committee Chairmen and Members .....13

**ARTICLE XI INSURANCE.....14**

**ARTICLE XII MEMBERSHIPS.....14**

- 1. Categories and Number of Memberships .....14
- 2. Voting Privileges.....14
- 3. Membership Certificates .....14

**ARTICLE XIII OTHER MEMBERSHIP PRIVILEGES IN THE CLUB.....15**

**ARTICLE XIV GUEST PRIVILEGES .....15**

**ARTICLE XV DUES, FEES AND CHARGES .....15**

**ARTICLE XVI DELINQUENCIES.....16**

**ARTICLE XVII DISCIPLINE.....16**

- 1. Grounds for Discipline .....16
- 2. Board Action .....17
- 3. Suspension .....17
- 4. Resignation--Request by Board .....18
- 5. Expulsion .....18

**ARTICLE XVIII CORPORATE SEAL .....18**

**ARTICLE XIX MISCELLANEOUS .....18**

- 1. Fiscal Year .....18
- 2. Annual Accounting .....18
- 3. Operating Assessments .....18
- 4. Capital Assessments.....19
- 5. Conflict Between Bylaws and Certificate of Incorporation .....19
- 6. Prohibition Against Distribution of Income .....20

**ARTICLE XX AMENDMENTS.....20**

- 1. Before Turnover Date .....20
- 2. After Turnover Date.....20
- 3. Procedure for Amendment by Members .....20

**ARTICLE XXI ARBITRATION OF DISPUTES.....20**

## ARTICLE I DEFINITIONS

The following terms when used in these Bylaws shall have the meanings indicated below:

"Board of Directors shall mean the governing body of the Club.

"Board of Governors" shall mean the advisory board established by the Company to serve as a liaison between the management of the Club and the members of the Club.

"Bylaws" shall mean these Bylaws, as the same may be amended from time to time.

"Cherry Creek Facilities" shall mean the golf courses, driving range and clubhouses at Cherry Creek Club and The Woods at Cherry Creek.

"Club" shall mean Olde Vine Golf Club, Inc., a New York not -for-profit corporation.

"Club Facilities" shall mean the Club's recreational and other facilities.

"Club Transfer Agreement" shall mean that certain Club Transfer Agreement between the Company and the Club pursuant to which the Company agrees to transfer and convey the Club Facilities to the Club in exchange for the memberships in the Club.

"Community" shall mean The Estates at Olde Vine residential community located in Riverhead, New York.

"Company" shall mean Olde Vine Golf Club LLC, a New York limited liability company, and its successors and assigns.

"Equity Member" shall mean the holder of an Equity Membership.

"Equity Membership" shall mean a Founder Membership or a Golf Membership in the Club entitling the member to vote on matters submitted for the vote of the members.

"Fiscal Year" shall mean a 12 month period beginning January 1 and ending December 1.

"Founder Member" shall mean each person that has acquired a Founder Membership in the Club.

"Golf Member" shall mean each person that has acquired a Golf Membership in the Club.

"Member" shall mean an Equity or Non-Equity Member, as the case may be.

"Members" shall mean all Equity and Non-Equity Members in the Club.

"Membership Plan" shall mean the Olde Vine Golf Club, Inc. Membership Plan and its exhibits, as the same may be amended from time to time.

"Membership Year" shall mean the 12 month period designated by the Club from time to time as being the Club's membership year.

"Non-Equity Member" shall mean a member in the Club who is not an Equity Member.

"Operating Deficit" shall mean for each Fiscal Year or part thereof the amount by which (i) all costs and expenses of the Club determined in accordance with generally accepted accounting principles applied consistently from year to year, but excluding depreciation expense, and amortization expense, the net amount of any Company subsidies or payments, management fees and state and federal income taxes, if any, attributable to the sale or resale of memberships and including reserves for property and equipment replacements and equipment lease payments, exceeds (ii) the revenues of the Club determined in accordance with generally accepted accounting principles, applied consistently from year to year, other than proceeds from the sale or resale of memberships.

"Operating Surplus" shall mean for each Fiscal Year or part thereof the amount by which (i) the revenues of the Club determined in accordance with generally accepted accounting principles, applied consistently from year to year, other than the proceeds from the sale or resale of memberships, exceeds (ii) all costs and expenses of the Club determined in accordance with generally accepted accounting principles applied consistently from year to year, but excluding depreciation expense and amortization expense, the net amount of any Company subsidies or payments, management fees and state and federal income taxes, if any, attributable to the proceeds from the sale or resale of memberships, and including reserves for property and equipment replacements and equipment lease payments.

"Social Member" shall mean each person that has acquired a Social Membership in the Club.

"Turnover Date" shall mean that date specified by the Company, which date shall be within 60 days after the earlier of any of the following conditions precedent: (i) the initial sale of all of the Equity and Non-Equity Memberships permitted to be issued in the Club; or (ii) December 31, 2013; or (iii) any earlier date determined by the Company in its discretion, provided the Club's accounting firm has reviewed the operating results of the Club and confirmed that the Club operated during the 12 month period without an Operating Deficit.

"Weekday Corporate Member" shall mean each entity that has acquired a Weekday Corporate Membership in the Club.

"Weekday Member" shall mean each person that has acquired a Weekday Membership in the Club.

## **ARTICLE II PURPOSE AND DURATION OF CLUB**

The nature and purpose of the Club is to own and operate a private golf, tennis, swimming, fitness and social club for the recreation, pleasure and benefit of its Members and their families and guests. The period of duration of the Club is perpetual.

### **ARTICLE III CLUB EMBLEM**

The emblem of the Club shall be of a style and design to be approved by the Board of Directors.

### **ARTICLE IV MEMBERS MEETINGS**

#### **0. ANNUAL MEETING**

An annual meeting of the Members of the Club shall be held for the purposes of receiving reports of officers and others, to elect directors and for such other business as may be properly brought before the meeting.

#### **0. DATE AND PLACE OF ANNUAL MEETING**

The first annual meeting of the Members shall be held within one year after the Turnover Date, unless otherwise required by applicable law. Each annual meeting shall be held at the time and place in the State of New York as the Board of Directors may designate.

#### **0. SPECIAL MEETING**

Special meetings of the Members may be called by the President, a majority of the members of the Board of Directors or, if after the Turnover Date, by the written request of Equity Members holding 25% or more of the votes then entitled to be voted. A request for a special meeting shall be submitted to the President who shall call a special meeting within 30 days of the date of receipt of the request. Notices of any special meeting must contain a statement of the purpose for which the special meeting is called and no other business may be transacted at that meeting.

#### **0. NOTICES**

The Secretary shall give at least ten days, but not more than 60 days, prior notice, by mail, to all Members of the Club, stating the place, day and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the special meeting is called. Notice of any meeting shall be posted on the official bulletin board at the clubhouse on the date of its mailing to the Members. Notice shall be deemed given to a Member when deposited in the United States mail or overnight service (such as Fed Ex, UPS or DHL) in a sealed envelope addressed to the address for such Member in the Club's records, with postage thereon or in the case of overnight delivery service, the Club's billing account information thereon or with payment of the delivery fee. If permitted by law, notice of any regular or special meeting of the Equity Members may be given electronically.

## **0. QUORUM**

The presence, either in person or by proxy, of Equity Members having one-third of the votes then entitled to be voted shall constitute a quorum at any meeting of the Members.

## **0. PROXIES**

The Board of Directors will determine the form and procedure for the use of proxies.

## **0. VOTING PERCENTAGE**

A majority of the votes cast by the Equity Members in person or by proxy at any duly called annual or special meeting of the Members of the Club at which a quorum of the Members is present either in person or by proxy is necessary for passage of any motion or approval of any action, except as otherwise expressly provided herein. All references in the Membership Documents to "majority vote of members" or "majority vote of Equity Members" shall mean the percentage set forth in this section.

## **0. ACTION WITHOUT MEETINGS**

Action may be taken by the Equity Members of the Club only at a properly called and noticed annual or special meeting of the Members. Action may not be taken by the written consent of the Equity Members in lieu of such annual or special meeting. Notwithstanding the foregoing, in the event the Board of Directors desires to poll the Equity Membership on a matter that does not require a vote of the membership, such poll may be done by mail provided that the polling materials set forth in reasonable detail the subject of the poll.

## **0. ELECTRONIC VOTING**

The Board of Directors may, in the case of any matter to be voted on by the Equity Members, permit the Equity Members to vote electronically, if permitted by law. The Board shall establish the procedures for voting electronically, consistent with the provisions of applicable law, if any, and will advise the Equity Members of such procedures prior to the vote. Votes cast electronically shall be counted for the purposes of establishing a quorum for the meeting in question.

## **0. FIXING OF RECORD DATE**

For the purpose of determining the Equity Members entitled to notice of or to vote at any meeting of the Equity Members, or in order to make a determination of the Members for any other proper purpose, the Board of Directors of the Club may fix in advance a date as the record date for any such determination of the Equity Members, such date in any case to be no more than 60 days, and not less than ten days, before the date of such meeting. If no record date is fixed for the determination of the Equity Members entitled to notice of, or to vote at, a meeting of the Equity Members, the business day before the date on which notice of the meeting is mailed shall be the record date for such determination of the Equity Members. When determination of the Equity Members entitled to vote at any meeting of the Members has been made, such determination shall apply to any adjournment of the meeting.

## ARTICLE V BOARD OF DIRECTORS

### 1. NUMBER AND QUALIFICATIONS

The Board of Directors shall consist of at least three persons and not more than nine persons. Until the Turnover Date, the Company will appoint all of the members of the Board of Directors. Decisions made by the directors appointed by the Company shall be in good faith and in a manner reasonably believed to be in the best interest of the Club and its Members and the development and marketing of the Community. After the Turnover Date, all members of the Board of Directors will be elected by the Equity Members. Members of the Board of Directors appointed by the Company are not required to be Members of the Club. The Company and the directors designated by the Company in office prior to the Turnover Date shall have no right, duty or obligation to act on behalf of the Members of the Club, and it is specifically understood that such persons will act solely on behalf of the Company until the Turnover Date.

### 2. NOMINATING

a. After the Turnover Date, not more than 120 days and not less than 90 days before the annual membership meeting, the Board of Directors will appoint a Nominating Committee consisting of five Equity Members of the Club, three of whom will be members of the Board of Directors. Members of the Nominating Committee will serve for a term of one year or until their successors are appointed and qualified. Unless specifically requested by a majority of the Board of Directors, the Nominating Committee will not nominate candidates to fill any vacancies occurring by reason of death, resignation or otherwise, for any unexpired term. There shall be no Nominating Committee for directors who are appointed by the Company.

b. The Nominating Committee will recommend, at least 60 days prior to the Members' annual meeting the names of the Equity Members of the Club selected by a majority vote of the Nominating Committee to be submitted to the Equity Members of the Club at the annual meeting for election to the Board of Directors. The Nominating Committee may nominate one or more nominees for each vacant seat, in its discretion.

c. Ten percent or more of the total number of Equity Members of the Club entitled to vote who are not on the Nominating Committee or the Board of Directors may also nominate candidates for the Board of Directors by petition signed by them and filed with the Secretary at least 30 days prior to the Members' annual meeting. The names of any such nominees, 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, will be posted on the official bulletin boards of the Club and will be included on any proxy mailing to the Equity Members of the Club.

d. The provisions regarding nomination of candidates do not apply to directors designated by the Company.

### **3. ELECTIONS**

- a. There will be no cumulative voting and no preemptive rights.
- b. Voting will either be in person or by proxy.
- c. The number of candidates necessary to fill the vacancies on the Board of Directors receiving the highest number of votes at the annual meeting of the Members for each designated term shall be declared elected.

### **4. TERM OF OFFICE**

Except as otherwise provided herein, directors shall serve for a term of three years.

### **5. REMOVAL OF DIRECTORS**

After the Turnover Date, a director may be removed by the Equity Members at a meeting called for the purpose of removing the director. The notice of the meeting shall state that one of the purposes of the meeting is to remove the director. The vote required for removal of a director is a majority of the votes cast by the Equity Members of the Club (whether or not present in person or by proxy at the meeting).

### **6. BOARD OF GOVERNORS**

An advisory Board of Governors will be established to serve as a liaison between the management of the Club and the Members. The Board of Governors will meet with Club management on a regular basis to discuss the operation of the Club and the Club Facilities. The Company will designate all of the members of the Board of Governors who will serve for specific terms. The Board of Governors will have no duty or power to negotiate or otherwise act on behalf of the Members of the Club and shall serve only in an advisory capacity until the Turnover Date, whereupon the Board of Governors will be disbanded.

### **7. TURNOVER COMMITTEE**

The Company will establish approximately one year prior to the anticipated turnover of control of the management of the Club Facilities, a Members' turnover committee ("Turnover Committee") consisting of three members of the Board of Governors selected by the Company which will serve as a liaison between the Company and the Equity Members concerning turnover of management and control to the Equity Members. The Turnover Committee shall have no duty to negotiate or otherwise act on behalf of the Equity Members until the Turnover Date. On the Turnover Date, the directors designated by the Company will resign as directors and the persons comprising the Members' Turnover Committee will become the Board of Directors of the Club. An additional six members of the Board of Directors will be elected by the Equity Members at the first annual meeting held after the Turnover Date. The Turnover Committee members shall serve for a term of three years from the first annual meeting after the Turnover Date. Three directors will be elected at such first annual meeting for a term of one year and three directors shall be elected for a term of two years. The three directors receiving

the highest number of votes shall serve for two years. Thereafter, all directors shall serve for a term of three years.

## **ARTICLE VI MEETINGS OF BOARD OF DIRECTORS**

### **0. ANNUAL MEETING**

Each year the Board of Directors shall hold its annual meeting to elect officers and to consider any other matters that may be properly brought before the meeting. After the Turnover Date, the annual meeting of the Board of Directors shall be held within ten days after the annual meeting of the Members.

### **0. QUORUM**

A majority of the Board of Directors shall constitute a quorum at any meeting for the transaction of business.

### **0. REGULAR MEETINGS**

The Board of Directors shall have a minimum of six regular meetings in each year at such times as the Board of Directors shall determine.

### **0. SPECIAL MEETINGS**

Special meetings of the Board of Directors may be called by or at the request of the President or any three directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place as the place for holding any special meeting of the Board of Directors called by them.

### **0. NOTICE**

Notice of any regular or special meeting of the Board of Directors shall be given at least two days previous thereto by written notice to each director at his or her address as shown by the records of the Club, except that no special meeting of directors may remove a director unless written notice of the proposed removal is delivered to all directors at least 20 days prior to such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Notice of a special meeting of the Board may also be given 48 hours in advance by telephone, telegraph or personal delivery of a written notice to each director. Notice of any special meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a director at any 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 regular or special meeting of the Board need be specified in the notice or waiver of notice of

such meeting, unless specifically required by law or these Bylaws. If permitted by law, notice of any regular or special meeting may be given electronically.

**0. BOARD ACTION**

Except as expressly provided otherwise herein, a majority of the votes cast is necessary for passage of any motion.

**0. ACTION WITHOUT MEETINGS**

Any action which may be taken by the Board of Directors, or any committee thereof, may be taken without a meeting if consent in writing setting forth the action taken, signed by all of the directors entitled to vote, or all of the members of the committee, as the case may be, is filed in the minutes of the proceedings of the Board of Directors of the committee. A consent shall have the effect of a unanimous vote.

**0. TELEPHONIC MEETINGS**

Members of the Board of Directors may participate in any meeting by means of a conference telephone or similar communications equipment. All persons participating in the meeting must be able to hear each other at the same time. Participation by such means will constitute presence in person at the meeting.

**0. EXECUTIVE SESSION**

The Board of Directors may from time to time meet in a closed executive session to discuss and vote on personnel matters, litigation which the Club is or may become involved in, or other business of a similar or otherwise sensitive nature.

**ARTICLE VII  
POWERS OF THE BOARD OF DIRECTORS**

**0. MANAGEMENT OF CLUB**

The Board of Directors shall exercise all powers of the Club and do all acts and things necessary to carry out the purposes of the Club.

**0. DUTIES AND POWERS**

The Board of Directors shall:

- ( ) Elect the officers of the Club;
- ( ) Appoint committees and assign duties;
- ( ) Fill vacancies on the Board of Directors due to death, resignation, inability to perform duties, or otherwise, until the next election of Directors by the Equity Members;

- ( ) Hire managers and other employees and delegate such authority to them as is considered necessary for the proper operation and management of the Club;
- ( ) Adopt, alter, amend or repeal the Rules and Regulations governing use of the Club and all of its facilities by Members, their families and their guests;
- ( ) Establish the amount of the membership contribution or initiation fee for each category of membership and its terms of payment, and the amount of dues, fees and other charges;
- ( ) Have the power to replace any director who shall fail to attend 50% of the regular meetings of the Board of Directors in any one membership year;
- ( ) Have the power to exchange rights to use the Club's facilities with members of other clubs;
- ( ) If desired by the Board, retain a management company to manage the day-to-day operations of the Club and delegate such authority to them as is considered necessary for the proper operation and management of the Club;
- ( ) Have the power to expend funds to the extent of the amount in the Club's treasury or owing to the Club; to make contracts, borrow money and incur indebtedness on behalf of the Club; and, to cause promissory notes, bonds, mortgages or other evidences of indebtedness to be executed and issued; and
- ( ) All such other acts and things as are permitted by the laws of the State of New York with respect to not-for-profit corporations, as those laws now exist or as they may hereafter provide.

#### **0. ISSUANCE OF MEMBERSHIPS**

The Board of Directors shall have authority to issue, cancel and transfer memberships and shall have certificates of membership prepared in form and content consistent with the provisions of the Certificate of Incorporation and these Bylaws of the Club.

#### **0. COMPENSATION**

No director shall receive a salary or any other compensation whatsoever, but shall be entitled to reimbursement for all expenses reasonably incurred in performing any duties pursuant to these Bylaws.

#### **0. INTERPRETATION OF BYLAWS**

The Board of Directors shall have the corporate power to generally do everything permitted by not-for-profit corporations by law, statute, its Certificate of Incorporation and these Bylaws, and to determine the interpretation of these Bylaws, or any parts thereof, which may be in conflict or of doubtful meaning, and their decision shall be final and conclusive, so long as consistent with applicable law.

**0. CLUB MANAGER OR MANAGEMENT COMPANY**

The Board of Directors, in its sole discretion, may employ a Club manager, general manager or management company to manage the day-to-day operations of the Club and to exercise any and all powers which the Board may delegate to the manager or management company. The manager or management company (if any) shall report only to the Board of Directors or other such committee as determined by the Board from time to time.

**ARTICLE VIII  
OFFICERS**

The Board of Directors at each annual meeting shall elect, to serve for a term of one year and until their successors shall be elected, a President, Vice President, Treasurer and Secretary, and such other officers as the Board of Directors may from time to time determine appropriate. The officers shall not be liable for the debts of the Club.

**ARTICLE IX  
DUTIES OF OFFICERS**

**0. PRESIDENT**

The President shall preside at all meetings of the Members and the directors and enforce observance of the provisions of these Bylaws and all Rules and Regulations of the Club. The President may call special meetings of the Board of Directors, shall 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.

**0. VICE PRESIDENT**

The Vice President shall assist the President in his duties, and in the absence or disability of the President, the Vice President shall perform and carry out all duties and responsibilities of the President.

**0. SECRETARY**

The Secretary shall keep, or cause to be kept, records and minutes of all meetings of the Board of Directors and the membership, and the Secretary shall be responsible for giving all required notices of meetings. The Secretary shall have custody of the Seal of the Club, and all membership records shall be kept under the supervision of the Secretary.

**0. TREASURER**

The Treasurer shall be Chairman of the Finance Committee. The Treasurer shall cause to be collected, held and disbursed, under the direction of the Board of Directors, all monies of the Club, and it shall be the Treasurer's duty to collect monies due the Club from the issuance of memberships, dues and charges of members of the Club, and all amounts due from others. The Treasurer shall keep or cause to be kept, at the Club, regular books of account and all financial

records of the Club, and shall prepare budgets and financial statements, when and in the form requested by the Board of Directors. The Treasurer shall deposit or cause to be deposited all monies of the Club in an account or accounts in the Club's name, in the bank or banks designated by the Board of Directors and shall give a surety bond for faithful performance in the amount directed by the Board of Directors, which surety bond premium shall be paid by the Club. Any other person or persons having access to monies of the Club or its bank accounts shall be similarly bonded.

**0. OTHER OFFICERS**

The Board of Directors may fill vacancies in any office or new office created at any meeting of the Board of Directors.

**0. DUTIES OF OFFICERS**

Any officer may be given additional assignments and duties by the Board of Directors.

**0. REMOVAL FROM OFFICE**

Any officer may be removed from office, with or without cause, by a majority vote of the members of the Board of Directors.

**ARTICLE X  
COMMITTEES**

**0. EXECUTIVE COMMITTEE**

The Board of Directors, by majority vote, may designate from among its members an Executive Committee. The Executive Committee shall consist of three Members and shall have, to the extent not restricted by law, the powers of the Board of Directors during the interval between meetings of the Board of Directors. A quorum shall be a majority of the members of the Executive Committee. Actions and resolutions of the Executive Committee shall require a unanimous vote of the members present.

**0. STANDING COMMITTEES**

The Club may establish committees from time to time in its sole and absolute discretion, including, but not limited to: Membership, Finance, House, Golf, Tennis, Grievance and Legal and Bylaws. Each year, after the Turnover Date, the President, subject to the approval of the Board of Directors, shall designate the chairman (who shall be a director) and members of each committee.

( ) The Membership Committee shall investigate all applications for membership and shall report thereon to the Board of Directors with its recommendation as to approval of each application. The Board of Directors shall make the final determination whether to approve or disapprove an application. This committee shall be established promptly after these Bylaws are adopted as the Bylaws of the Club.

( ) The Finance Committee shall in general supervise, direct and control all matters pertaining to the Club's finances including, but not limited to, the placing of insurance, the filing of tax returns, the payment of taxes, the preparation of the annual operating budget, the preparation of the current reports for the Board of Directors on the Club's financial condition and the issuance to Members of a condensed quarterly operating statement. The Finance Committee shall have the power, with the approval of the Board of Directors, to direct the General Manager to employ, at the expense of the Club, such clerical aid and assistance as may be necessary to handle the accounts. The account books and vouchers shall at all times be open to the inspection of any member of the Board of Directors.

( ) Each of the following committees, subject to the approval of the Board of Directors, shall formulate programs and submit them with recommendations to the Board of Directors for approval. The officers of the Club shall have control of the execution of the programs and recommendations approved by the Board of Directors. Each committee shall act only as a consultant and advisor to the Board of Directors and officers and may not act on behalf of the Club or bind it to any actions.

#### House Committee

The House Committee shall advise the Board of Directors on matters concerning the food and beverage operations of the Club, the social activities and entertainment of members, their families and their guests. The House Committee shall advise the Board of Directors on matters concerning the maintenance and repair of all buildings, both interior and exterior, the supervision of all building construction and the maintenance, repair and supervision of all water and electrical lines and the facilities and equipment used in connection therewith, except those directly related to and concerning the maintenance or repair of the golf course. The trees, lawn, garden and shrubbery area of the Club's grounds which are not within the scope of the Golf Committee and the maintenance, repair and construction of wells, water tanks, pumps, fences and parking lots shall come under the jurisdiction of the House Committee.

#### Golf Committee

The Golf Committee shall advise the Board of Directors on matters concerning the employment of a Golf Professional and the scope of the operation of the professional, the promulgation of playing rules for members, their families and their guests, the programming of golfing events for members, their families and their guests and the maintenance of members' handicaps. United States Golf Association rules and regulations shall govern all golf play except where superseded by local rules. The Golf Committee shall also advise the Board of Directors on matters concerning the employment of a Greens Superintendent and the scope of the Greens Superintendent's operations and the maintenance of the golf course, roads, facilities and equipment used in connection therewith. No live trees shall be removed nor shall any alteration be made in the golf course except with the written approval of the Board of Directors. The Club may establish a separate Mens' Golf Committee or Subcommittee and a Womens' Golf Committee or Subcommittee to advise the Board of Directors on programming of golfing events for men and women, respectively.

### Tennis Committee

The Tennis Committee shall advise the Board of Directors on matters concerning the possible employment of a Tennis Professional, the scope of operations of the professional, the promulgation of playing rules for members, their families and their guests and the programming of tennis events for members, their families and their guests. The Tennis Committee shall advise the Board of Directors on the condition of, and make recommendations concerning the tennis courts and related equipment and facilities.

### Grievance Committee

The Grievance Committee shall consist of five members, three of whom shall be members of the Board of Directors. All written complaints relative to any member's conduct shall be first referred to the Grievance Committee. The Grievance Committee shall perform investigations as it deems necessary and shall present its recommendation to the Board of Directors in executive session. If the Grievance Committee's recommendation of a formal charge is approved by the Board of Directors, the committee shall draft and submit to the Board of Directors a letter of complaint. The Grievance Committee shall have no power of suspension or expulsion, but may have such powers of censure as may be directed by the Board of Directors.

### Legal and Bylaws Committee

The Legal and Bylaws Committee shall be charged with the publication and interpretation of the Rules and Regulations and any other regulations and Bylaws of the Club and, generally, with all matters of a legal nature pertaining to the Club.

## **0. AD HOC COMMITTEES**

The President, subject to the approval of the Board of Directors, may, from time to time, (i) appoint ad hoc committees, with the powers and composition as the President shall determine, (ii) determine the powers and composition of the committees and the term of committee chairmen and members, and (iii) replace committee chairmen or members at any time, without cause.

## **0. POWERS OF COMMITTEES**

The several committees shall act only in an advisory capacity, and the individual members thereof shall have no power or authority. The chairman of each committee may appoint from the members of the committee sub-committees as he or she deems desirable. All sub-committees shall report directly to the committee as a whole, which shall approve, amend or disapprove the report of the sub-committee.

## **0. TERMS OF COMMITTEE CHAIRMEN AND MEMBERS**

Each committee chairman and each member of a committee shall serve until their replacement is designated as provided in this Article.

## **ARTICLE XI INSURANCE**

The Club will have the power to purchase or maintain insurance on behalf of its directors, officers and agents, against any liability asserted against or incurred by any director, officer or agent in such capacity arising out of the director, officer or agent's status as such, whether or not the Club would have the power to indemnify the director, officer or agent against such liability under the Certificate of Incorporation of the Club or under applicable New York law.

## **ARTICLE XII MEMBERSHIPS**

### **0. CATEGORIES AND NUMBER OF MEMBERSHIPS**

The Club offers two categories of Equity Membership: Founder Membership and Golf Membership. The Club also offers four categories of Non-Equity Membership: Social Membership, Dinner Membership/Limited Golf Weekday Membership and Weekday Corporate Membership. The rights, privileges and obligations associated with each category of membership, and eligibility and application procedures for membership, shall be governed by the Membership Plan, as it may be amended from time to time in accordance with its terms, except as specifically provided herein.

### **0. VOTING PRIVILEGES**

Each Equity Membership which is in good standing entitles the Equity Member to vote on various Club matters, including the election of the Board of Directors. On all matters to be voted upon by the Equity Members of the Club, Equity Members are entitled to one vote per membership. Non-Equity Members are not entitled to vote on Club matters.

If an Equity Membership is jointly owned by both spouses, either spouse may cast the vote associated with such membership on any matter upon which Equity Members vote. The vote associated with the membership cannot be split between the two spouses.

Equity Members with past due Club accounts (more than 30 days past due as of the record date) shall not be considered in good standing. The Company is not entitled to vote the Equity Memberships which it holds for sale on matters submitted to the vote of the Equity Members, except it may vote those Equity Memberships which it has purchased from the Club. The Board of Directors will have the final authority to determine which categories of Equity Members are entitled to vote on matters put to a vote of the Equity Members.

### **0. MEMBERSHIP CERTIFICATES**

( ) Every accepted Equity Member who pays the required amounts in respect of the membership contribution shall receive a membership certificate. Each membership certificate shall be in a form approved by the Board of Directors and shall state that the same is issued

subject to the Bylaws of the Club as they now are or may be amended and shall be subscribed by the President and Secretary and under the seal of the Club.

( ) Membership certificates are not redeemable or transferable except as specifically provided by the Membership Plan and these Bylaws and then only through the Treasurer of the Club. Whenever any person shall cease to be a member, whether by death, resignation, recall, expulsion or other provisions of the Membership Plan and these Bylaws, such cessation shall operate to authorize the Treasurer of the Club to effectuate the redemption, cancellation, purchase or sale of the membership in accordance with and in the manner prescribed by the Membership Plan and these Bylaws.

### **ARTICLE XIII OTHER MEMBERSHIP PRIVILEGES IN THE CLUB**

There shall be such other memberships and privileges to use the Club Facilities as are set forth in the Membership Plan, the Club Transfer Agreement between the Company and the Club, and the Marketing, Use, and Access Agreement between the Company and the Club.

### **ARTICLE XIV GUEST PRIVILEGES**

Members may have guests use the Club Facilities in accordance with the member's category of membership and the Rules and Regulations of the Club. The Club may limit the number of guests and the number of times a particular guest may use the Club Facilities during each Membership Year. The member will be responsible for the payment of charges incurred but not paid by his or her guests, including any applicable guest fees established by the Club from time to time. Members will be responsible for the deportment of their guests. Members may have guests use the Cherry Creek Facilities as guests of a member as determined by the Club from time to time.

### **ARTICLE XV DUES, FEES AND CHARGES**

Each year the Board of Directors of the Club will determine the amount of dues and other fees to be paid by each Member for the next Membership Year. The dues may be set at any level deemed appropriate by the Board of Directors and increases in dues shall not be considered an assessment. The Club will also require a food and beverage minimum as determined by the Club from time to time.

Dues will be paid in advance in two equal installments, one due on January 15 and the other due on March 15 of each year unless otherwise established by the Board of Directors from time to time. Equity Members may select either the family or individual category of dues. Equity Members who are property owners in the Community and who desire to use the tennis and swim facilities of the Club can pay additional dues for these privileges. The failure of any Member to pay the required dues within the prescribed time period shall constitute grounds for the Member's suspension or expulsion from the Club.

## **ARTICLE XVI DELINQUENCIES**

The Club shall have a lien against each membership for any unpaid dues, fees, charges or assessments, which lien shall also accrue reasonable attorneys' fees incurred by the Club incident to the collection thereof, or the enforcement of any lien, whether or not legal proceedings are initiated. The lien may, but need not be, recorded among the public records of Suffolk County, New York, by filing a claim therein which states the name of the Member, the number of the membership and the amount claimed to be due. The lien shall continue in effect until all sums secured by the lien, together with all costs incurred in recording and enforcing the lien, have been paid. A claim of lien may be signed by any officer of the Club. Upon full payment, the Member making payment shall be entitled to be reinstated as a Member in good standing of the Club and shall be entitled to a release of lien to be prepared and recorded at the member's expense. All liens may be foreclosed by the Club, in any action at law or in equity, or without legal proceedings upon five days prior written notice of intended foreclosure, as may be deemed appropriate by the Club. The Club may also, at its option, sue to recover a money judgment for unpaid dues or other charges, or terminate the membership in accordance with these Bylaws, without thereby waiving its lien securing the same.

No Member shall be permitted to create, incur, assume or suffer to exist upon the Member's membership any liens and security interests whatsoever except to the extent the lien and security interest represents a purchase money lien and security interest incurred as a result of acquiring the membership.

## **ARTICLE XVII DISCIPLINE**

### **0. GROUND S FOR DISCIPLINE**

Members are responsible for their own conduct and for the conduct of their family members and guests. Any Member whose conduct or whose family's or guest's conduct shall be deemed by the Board of Directors to be likely to endanger the welfare, safety, harmony or good reputation of the Club or its Members or is otherwise improper, may be reprimanded, fined, suspended or expelled from the Club and have all privileges associated with the membership suspended or terminated by action of the Board of Directors. The Board of Directors shall be the sole judge of what constitutes improper conduct, but improper conduct will include, without limitation:

- ( ) failure to meet eligibility for membership;
- ( ) submitting false information on the Application for Membership or Membership Purchase Agreement;
- ( ) submission of false information regarding an application for use privileges for a guest of the Member;

- ( ) unsatisfactory behavior, deportment or appearance including, without limitation, intoxication;
- ( ) acting in a manner incompatible with the standard of conduct of the existing membership or which would likely injure the reputation of the Members or the Club;
- ( ) allowing his or her membership / Visa card to be used by another person;
- ( ) failure to accompany a guest where required when using facilities of the Club;
- ( ) failing to pay any amount owed to the Club in a proper and timely manner;
- ( ) failing to abide by the rules and regulations as set forth for use of the facilities of the Club;
- ( ) abusing Club personnel or employees;
- ( ) conviction of a crime by the Member or the Member's spouse;
- ( ) destruction of Club property; or
- ( ) verbal abuse of the governors, directors or officers of the Club.

#### **0. BOARD ACTION**

Any Member accused of improper conduct shall be notified of the Club's proposed disciplinary action and shall be given an opportunity to be heard by the Board of Directors to show cause why the Member should not be disciplined in accordance with this Article. If such Member desires to be heard, the Member must provide a written request for a hearing to the Board of Directors within 20 days of the date of the Club's notice to the Member of the proposed action. Upon the Board's receipt of the written request for a hearing, the Board of Directors shall set a time and date for such hearing, which shall in no event be less than ten days after such request. While such complaint is being considered by the Board of Directors, the Member shall enjoy the privileges of the Club. Any notice given by mail must be given by first-class or registered mail sent to the last address of the Member shown on the Club's records. Notwithstanding the foregoing, the Club may, without notice and without a hearing, immediately suspend some or all privileges associated with a membership and/or, after notice, terminate a Member for failure to pay in a proper and timely manner dues, fees or any other amounts owed to the Club.

#### **0. SUSPENSION**

The Board of Directors may, by a majority vote of the Directors present, suspend a Member and/or any family member or guest of the Member from some or all of the privileges of the Club for a period of up to one year. Dues and other obligations shall accrue during such suspension and must be paid in full when due.

**0. RESIGNATION--REQUEST BY BOARD**

The Board of Directors may, by a majority vote of the Directors present, request the resignation of any Member of the Club for cause deemed sufficient by the Board of Directors.

**0. EXPULSION**

A Member may be expelled by the Club, by a majority vote of the Directors present, if the Board of Directors determines that the Member's conduct was improper or likely to endanger the welfare, safety, harmony or good reputation of the Club or its Members. Any Member of the Club who has been expelled shall not again be eligible for membership nor admitted to the Club's property under any circumstances, as determined by the Club in its sole discretion. A Member who has been expelled from the Club shall forfeit his or her membership in the Club and all amounts paid in respect of the membership and shall not be entitled to any refund. The membership of an expelled Equity Member shall revert back to the Club. An expelled Member shall be notified by registered mail and shall have the obligation to surrender the membership certificate, if any, and shall forfeit all rights and privileges of membership.

**ARTICLE XVIII  
CORPORATE SEAL**

The Corporate Seal of the Club shall be circular in form and shall have inscribed thereon the name of the corporation and the words "seal," "New York "not-for-profit Corporation" and the year of incorporation. The corporate seal shall be in the possession of the Secretary of the Club and be affixed by the Secretary to all documents relating to the official acts of the Club, as authorized by the Board of Directors.

**ARTICLE XIX  
MISCELLANEOUS**

**0. FISCAL YEAR**

The fiscal year of the Club shall commence on the first day of January and conclude on the last day of December.

**0. ANNUAL ACCOUNTING**

Within 90 days of the end of each Fiscal Year, the Club shall provide to each Member an accounting of the Club's operations for such Fiscal Year.

**0. OPERATING ASSESSMENTS**

Members of the Club will not be assessed for operating deficits prior to the Turnover Date. Members will only pay membership dues, fees and other charges established from time to time. After the Turnover Date, the Board of Directors of the Club may find it necessary to make assessments, in addition to dues, to cover any operating deficits which may occur. Any assessments to cover operating deficits will be prorated among Members of the Club based on

the amount of dues charged during the year in which the deficit occurs. Annual increases in dues shall not be deemed an assessment.

## **0. CAPITAL ASSESSMENTS**

There will be no assessments for capital expenditures unless approved by a majority of the vote of Equity Members, except that assessments required to pay for "extraordinary repairs or replacements" do not require Member approval and may be imposed by the Board of Directors. In the event of any assessment for extraordinary repairs or replacements which is not voted on by the Equity Members, the Company will pay its proportionate share of the assessment based upon the number of unissued memberships held by the Company. The assessment shall be apportioned among the issued and unissued memberships in accordance with the terms of the following paragraph. Assessments for capital improvements made prior to the Turnover Date shall be subject to the approval of the Company, in its sole discretion. Extraordinary repairs or replacements shall mean repairs or replacements to the Club Facilities which result from acts of God, natural disasters, pestilence, weather, fires, the need to replace turf and landscaping on the Club property due to disease or other unanticipated cause, requirements imposed by governmental authorities after the date hereof and any events beyond the reasonable control of the Company or the Club.

Any assessment for capital expenditures which must be voted on by the Equity Members shall be voted on and paid as follows:

- Assessments for capital expenditures to the golf course, golf practice facilities and the clubhouse, other than the fitness and social facilities of the clubhouse, shall be prorated among all of the Founder Members, Golf Members, Weekday Golf Members and Weekday Corporate Members. Weekday Golf Members will pay an amount equal to fifty (50%) of the assessment payable by Equity Members and Weekday Corporate Members shall pay an amount equal to three times the assessment amount payable by Weekday Members.
- Assessments for capital expenditures to the fitness and social facilities of the clubhouse shall be prorated equally among all Members.
- Assessments for capital expenditures to the tennis and swimming facilities shall be prorated equally among all Social Members and those Equity Members who have elected to add on privileges to use the tennis and swimming facilities at the Club for the membership year that the assessment is imposed.

## **0. CONFLICT BETWEEN BYLAWS AND CERTIFICATE OF INCORPORATION**

In the event of conflict between the terms of these Bylaws and the Certificate of Incorporation, the Bylaws shall prevail.

## **0. PROHIBITION AGAINST DISTRIBUTION OF INCOME**

The Club is one which does not permit pecuniary gain or profit. After the Turnover Date, no part of any net earnings shall inure to the benefit of any Member, director, officer or other private individual and, as such, they will have no interest in or title to any of the property or assets of the Club. Nothing herein shall prohibit the Club from reimbursing its directors and officers for all expenses reasonably incurred in performing services rendered to the Club.

## **ARTICLE XX AMENDMENTS**

### **0. BEFORE TURNOVER DATE**

The Company reserves the right prior to the Turnover Date to waive or modify the terms of these Bylaws as long as the waivers and modifications are not materially adverse to the rights of the Members. Any waiver or modification which is materially adverse must be approved by a majority vote of the Equity Members.

### **0. AFTER TURNOVER DATE**

After the Turnover Date and until the later of (i) the initial sale of all of the memberships permitted to be issued in the Club, or (ii) the initial sale of all residences and homesites in the Community to retail purchasers, these Bylaws may not be changed without the Company's written consent, which may be withheld by the Company for any reason whatsoever.

### **0. PROCEDURE FOR AMENDMENT BY MEMBERS**

After the Turnover Date, and subject to Section 2 above, these Bylaws may be altered, amended, or repealed or new Bylaws adopted, only by: (a) a majority vote of all of the members of the Board of Directors, and (b) a majority of the votes entitled to be cast by the Equity Members in person or by proxy at any duly called and constituted annual or special meeting of the members of the Club at which a quorum of the Equity Members is present either in person or by proxy. The proposed amendment must be set forth in the notice of the meeting.

## **ARTICLE XXI ARBITRATION OF DISPUTES**

Each and every dispute, claim or other matter of disagreement between the Club, its officers, directors, or affiliates on one hand and any Member or applicant for membership on other hand relating to or arising out of the Membership Documents or any transaction contemplated by the Membership Documents shall only be decided by mediation, and if necessary, arbitration in accordance with the American Arbitration Association and no right shall exist to have any such dispute litigated in a court or by jury trial; provided, however, that the Club shall have the right to collect, through a court proceeding, any Club account or other amount owing as a result of the Members' loss or destruction of the Club's property or injury caused to any party.

In the event there is any such dispute, the same shall be resolved in the following manner:

**0. MEDIATION**

Within ten days after the receipt of notice of a dispute by one party from the other, the parties shall attempt in good faith to negotiate for a period of 30 days in an effort to resolve the dispute;

If the parties are unable to resolve the dispute within such 30 day period, they shall retain a mutually acceptable mediator (i.e., a partner or principal of an accounting, consulting, legal or engineering firm with experience in the country club industry) to assist them in resolving the dispute within ten additional days, failing which they shall each retain a mediator within ten additional days and the two mediators thus chosen shall together act as the mediator for the purpose of this paragraph. If either party shall fail to appoint a mediator as required hereunder, the mediator appointed by the other party shall be the sole mediator. Within 30 days after the mediators (or such single mediator) have been retained, the mediators (or such single mediator) shall, on a non-binding basis, advise the parties in writing of their views. The fees and expenses of the mediators (or such single mediator) shall be borne equally; and

If the parties are still unable to resolve the dispute within such 30 day period, the parties shall resort to the arbitration procedures set forth below.

**0. ARBITRATION**

Either party may submit the matter to binding arbitration. In any such arbitration the parties agree that there shall be only one arbitrator, that such arbitrator will be selected by the Club with the only limitations on such selection being that such arbitrator must be qualified by experience, education or training in country club operations. The arbitrator shall be selected by the Club within ten days after the arbitration provision is invoked. The arbitration proceeding shall be held in Suffolk County, New York, and shall be governed by the commercial arbitration rules of the American Arbitration Association then in force, except as otherwise provided herein.

Each party shall submit a proposal setting forth its resolution of the issue(s) submitted to arbitration within ten days after notice of selection of the arbitrator. The decision of the arbitrator, where appropriate, shall take into account the operation of the Club Facilities in comparison to the operation of other similar clubs in Suffolk County, New York. The arbitrator shall investigate the facts and shall hold hearings at which the parties may present evidence and arguments, be represented by counsel and conduct cross examination. The arbitrator shall render a written decision upon the matter presented within 30 days after the date upon which the last party submitted its proposal to the arbitrator, and such decision shall be final and conclusive upon all parties. Judgment upon the award rendered in such arbitration may be entered by any court having jurisdiction thereof, and the judgment shall be entered unless the award is vacated, modified or corrected as provided by law.

The parties shall advance on an equal basis any necessary costs of the arbitration, such as reporter's fees and arbitrator's fees. The prevailing party shall be entitled to recover as part

of the award all such advanced costs and reasonable attorneys' fees and related costs, fees or expenses of the arbitration. In the event of any dispute over any such fees and costs, each party may apply to the arbitrator within 30 days of the decision on the merits for a determination of an award of fees, costs and expenses. The arbitrator shall enter an award on such application within 30 days from its receipt, without a hearing, but with consideration of any factual materials or brief submitted by the parties, and such award shall be paid within 30 days from the date of such award. Any time period set by this paragraph may be shortened or extended by the mutual agreement of the parties to the arbitration.

If any court or arbitrator shall find any provision of this Article to be in violation of or in contradiction to the applicable law, the parties agree such provision or provisions shall be deemed to conform to the applicable law. Should any Member bring suit against the Club or others in contravention of this arbitration mandate, all costs and expenses incurred by the Club or others in the defense of such suit, including court costs, attorneys' fees and other costs including para-professional fees and travel costs through all trial and appellate proceedings, shall be recoverable as part of the arbitration award.

Judgment upon the award rendered in such arbitration shall be entered by any court having jurisdiction thereof, and the judgment shall be entered unless the award is vacated, modified or corrected as provided by law.