

ARTICLE I

Name and Location

1.1 Name. This Utah nonprofit corporation shall be known as the “Riverside Country Club” (referred to in these bylaws as the ‘Club’). The principal purposes of the Club shall be as follows:

(A) To own and operate the golf course and related facilities located at 2701 North University Avenue, Provo, Utah County, State of Utah for the benefit of its members and their guests;

(B) To provide recreational facilities and programs;

(C) Any purposes that are not inconsistent with applicable Utah law or the articles of incorporation.

1.2 Office and Principal Place of Business. The office and principal place of business of the Club shall be in Utah County, State of Utah. The Club shall designate a registered office in accordance with Utah law and shall maintain it continuously. The Club may have offices at such other places within and without Utah as the Board of Directors may determine. However, nothing contained herein shall prevent the holding of meetings or the transaction of business at such suitable place within Utah County as may be designated by the Board of Directors from time to time.

ARTICLE II

Membership

2.1 Member Defined. ‘Member’ as used herein shall be that individual as approved and accepted as a member of Riverside Country Club as hereafter provided. “Member” shall not include any child, or relative of a member, nor any Trust, Partnership, Joint Venture, or Limited Liability Company. However, valid business entities, including corporations, may hold equity memberships on condition that the membership is assigned to one specific individual as designated to the Board. Such a corporate membership can be transferred to another individual within the corporation upon payment of the current minimum transfer fee in force at the time of a transfer and so long as the individual qualifies for membership and is admitted for membership as set forth in this section below. Membership privileges shall be limited and restricted in accordance with these bylaws and shall be subject to modification by the Board of Directors. A member may hold title to the membership individually or jointly with a spouse. Any such equity membership titled jointly by an individual and their spouse shall only be entitled to one vote.

2.2 Qualification. Membership is open to all persons of good moral character over the age of twenty-one (21) years who are interested in furtherance of the purposes of the Club, subject to the provisions of these bylaws and the rules of the Club.

2.3 Manner of Admission.

(A) Application for Membership. Each application for membership must be made upon such form as approved by the Board of Directors. Each application form must be completely filled in and must be signed by the applicant and by six (6) equity resident members of the Club in good standing as sponsors. The application must be accompanied by check, certified funds, or money order in full payment of the applicable initiation fee or membership fee, which payment shall not be deemed accepted (even if deposited) unless the membership application is approved by the Board of Directors. The payment shall be returned to the applicant if the application is not approved by the Board.

(B) Review by Membership Committee; Posting of Notice. The application for membership shall be given to the General Manger, who shall refer it at once to the membership committee, and department heads, which committee shall post a copy of the application in the Clubhouse and shall begin to investigate the applicant's qualifications for membership and report its findings to the Board.

If the membership committee determines that the applicant meets the qualifications for membership, the posting period shall continue until the twenty (20) day requirement has been completed. However, if it is determined that the applicant does not meet the qualifications for membership, the membership application will be withdrawn to await final determination by the Board.

If the membership committee approves the applicant for membership and the application has been successfully posted for the requisite twenty (20) days, the application shall be sent to the Board of Directors for final approval or disapproval.

(C) Approval by Board of Directors. All applicants for membership, regardless of membership classification, must be approved by vote of the Board of Directors. The Board of Directors may, from time to time, approve applicants subject to the completion of the posting period that have met all other requirements for membership. If three (3) or more directors vote against approval of the applicant or if at the next regular Board meeting, written objection to the acceptance of such applicant be presented by ten (10) or more equity members of the Club, the application is disapproved and returned together with the applicant's remittance.

If less than three (3) directors vote against approval of the applicant and no proper written objection is raised by equity members at the next regular Board meeting, the applicant is approved for membership and shall then be a member of such classification, type and category as specified. Upon the request of any director, the vote shall be by secret ballot. Each member shall be deemed to have accepted and agreed to abide by the articles of incorporation and bylaws of the Club and the rules and regulations adopted by the Board of Directors. All new members will be required to attend a New Member Orientation meeting upon invitation and prior to the vote for approval by the Board of Directors.

2.4 Application - Payment of Fees or Dues to Constitute Contract. In all cases, an application for membership in the Club and approval by the Board of Directors shall constitute and create an unconditional assent to the bylaws and rules of the Club as then in force or as thereafter amended or changed, and thereby create a contract upon such members.

2.5 Newly Elected Members - Exercise of Privileges of the Club. Newly elected equity members of the Club shall be entitled to the privileges *and* use of the facilities of the Club from and after the date of notification from club management of the approval. Newly elected non-equity members of the Club shall be entitled to the privileges and use of the facilities of the Club appropriate to their classification immediately after their election.

2.6 Membership Classifications. There shall be the following classifications of memberships:

- (A) Equity Members
- (B) Social Members
- (C) Junior Members
- (D) Non-Relative Junior Members
- (E) Dining Club Members
- (G) Corporate Dinner Club Members
- (H) Inactive Equity Members

2.7 Membership Classifications Defined. The following defines the rights, privileges, obligations and conditions of each membership classification:

- (A) **Equity Members** shall be those members having an equity interest in the Club, as approved and accepted by the Board of Directors. Such memberships shall be fully assessable and subject to the dues, fees and assessments as levied pursuant to the Articles of Incorporation and the bylaws of the Club. Such members and their families, as in these bylaws defined and limited, shall be entitled to all of the privileges of the clubhouse, golf course, grounds and facilities. Such membership interest shall be transferrable in accordance with these bylaws.
- (B) **Social Members** shall be non-voting, non-equity members admitted to the Club for the purpose of enjoying limited rights and privileges for use of those portions of the Club's facilities as may be designated by these bylaws from time to time. Social members and their families, as in these bylaws defined and limited, shall be entitled to use of the clubhouse, swimming pool, tennis courts, and athletic club facilities.

Social memberships shall be subject to such dues, and fees as are levied pursuant to these bylaws. Social memberships shall not be transferable nor enjoy any survival rights to the heirs, devisees, or assigns of the member.

- (C) **Junior Members** are non-voting, non-equity members and shall be limited to persons between the ages of 21 and 35. The Junior membership interest shall terminate on the Junior member's 36th birthday or in the case of a married Junior member, when either spouse reaches the age of 36 regardless of who is listed as the member of record. The sale or transfer of the qualifying equity membership shall not otherwise terminate a Junior Membership. Junior memberships shall only be available to sons, daughters, sons-in-law, and daughters-in-law of equity members. Junior members and their families, as in these bylaws defined and limited, shall be entitled to use of the clubhouse, golf course, grounds and facilities. Junior memberships shall be subject to such dues, and fees as are levied pursuant to these bylaws. Junior memberships shall not be transferable nor enjoy any survival rights to the heirs, devisees, or assigns of the member.
- (D) **Non-Relative Junior Members** are non-voting, non-equity members and shall be limited to persons between the ages of 21 and 35. The Non-Relative Junior Membership interest shall terminate on the Junior member's 36th birthday or in the case of a married Junior member, when either spouse reaches the age of 36 regardless of who is listed as the member of record. The Non-Relative Junior members and their families, as in these bylaws defined and limited, shall be entitled to use of the clubhouse, golf course, grounds and facilities. The Non-Relative Junior memberships shall be subject to such dues and fees as are levied pursuant to these bylaws. The Non-Relative Junior memberships shall not be transferable nor enjoy any survival rights to the heirs, devisees, or assigns of the member. (No additional memberships of this category shall be offered for sale following a board approved action.)
- (E) **Dining Club Membership**. Shall be non-voting, non-equity members admitted to the Club for the purpose of enjoying limited rights and privileges for use of those portions of the Club's facilities as may be designated by these bylaws from time to time. Dining Club members and their families, as in these bylaws defined and limited, shall be entitled to use of the dining facilities only. Dining Club memberships shall be subject to such dues, and fees as are levied pursuant to these bylaws. Dining Club memberships shall not be transferable nor enjoy any survival rights to the heirs, devisees, or assigns of the member (No additional memberships of this category shall be offered for sale following a board approved action.)

(F) **Corporate Dining Club Members** are non-voting, non-equity memberships. Each Corporate Dining Club membership shall entitle up to 5 individually-designated members and their families, as in these bylaws defined and limited, to the use of the dining facilities only. The number of the individual designated members entitled to use a particular Corporate Dining Club membership shall be determined by the number of members designated by the Corporation. Such individually-designated members must each be an employee or owner of the Corporation holding the membership interest and separately approved for membership by the Board of Directors. The Corporation shall unconditionally guarantee and be liable for all of the dues, assessments, fees and charges for each of the individually-designated members. Corporate Dining Club memberships shall be subject to such dues, and fees, as are levied pursuant to these bylaws. Any Dining Club member whose account is delinquent 60 days or more and remains unpaid will be put on a cash only basis until the account is brought current. Corporate Dining Club memberships shall not be transferable nor enjoy any survival rights to the heirs, devisees, or assigns of the member, but are transferrable once per year per corporate designee and as approved by the Board of Directors. (No additional memberships of this category shall be offered for sale following a board approved action.)

(G) **Inactive Equity Membership Status.** Shall be those equity members who will be temporarily absent from the State of Utah because of business or other commitments for a period of twelve months or longer may apply to the Board of Directors for inactive status of such membership. Upon approval by the Board of Directors of the application for Inactive Equity Membership Status, the applicable dues associated with such membership shall be fifty-percent (50%) of those operating dues currently in effect as established by the Board of Directors. All assessments, both present and future, shall continue. Inactive Equity members, and their families, as defined in Section 4.9 hereof, shall not be entitled to the privileges of the Club and use of the facilities provided at the clubhouse while on Inactive Equity status.

(H) **Non-Resident Equity Membership.** Shall be those equity members who do not have their residence or place of business within the State of Utah. The dues hereunder shall be 75% of those operating dues established for Equity Resident Members and all assessments, both present and future shall continue. They and their families, as defined and as limited in 2.9 below hereof, shall have all the rights and privileges of the clubhouse and all club facilities. (No additional memberships of this category shall be offered for sale following a board approved action.)

2.8 Membership Limitation. The limitations on the number of members who shall be admitted to membership in each of the classes set forth herein are as follows:

(A) Equity Members: Not more than Four Hundred Seventy (470).

(B) Social Members: Not more than One Hundred (100).

(C) Junior Members: No limitation.

The Board of Directors shall retain the right to modify the numbers and classifications of memberships to assure the optimal usage of the Club by the members.

2.9 Family Defined.

(A) Members of the family shall include the member's spouse, unmarried sons and daughters, and legal wards under the age of 27 years. They shall be entitled to all of the privileges of the clubhouse and on the grounds appropriate to their age, sex, and class of membership. A "member's spouse" for purposes of these bylaws shall be defined to include only a spouse of a member as a result of a legally recognized marriage under the laws of the State of Utah.

(B) **Significant Other** - A Single member is defined as the owner of an Equity Membership or holder of a Social Membership, which member is unmarried, divorced, a widow, or a widower. Each single member shall have the right to designate a person that is the Single member's significant other. The purpose of this Section 2.9, (B), is to extend privileges to a significant other whose relationship with the Single Member is, with respect to residence and other considerations, essentially the same as that of a spouse of an Equity or Social Member. For the purposes of these Bylaws, "significant-other" shall be defined as a person whom the Equity or Social Member has a committed romantic relationship. The Single member's designee must be at least twenty-one (21) years of age and may not be related by blood or be a member of his or her family. The Single member must make application for a designee every 12 months and certify that they are the Members significant-other. A Single member may change his or her designee no more than once every 12 months, however, if the personal relationship with the designee changes from that of a significant-other, such designee may no longer be the single member's designee. The designee shall have the rights and privileges of a spouse of an Equity or Social member. The designee's rights do not, under any circumstances, extend to the members of the designee's own children unless such children reside in the Single Member's home. The Single Member accepts responsibility for their designee's adherence to Club Rules, Club Bylaws and for all charges made by the designee. Single Members are prohibited from manipulating the provision of this section for the purpose of aiding another person in avoiding the purchase of a membership, or in order to share the cost of a membership with another person. By accepting membership in the Club, the Single Member, on his or behalf and on behalf of the significant other, acknowledges and agrees that (1) the Board may ask questions and make inquiries in the course of considering the designation of a significant other; (2) he or she will cooperate in any such inquiry; and (3) he or she expressly waives any right of or claim to privacy with regard to any such questions and any such inquiry. The Board reserves the right to cancel the designee appointment at any time.

2.10 Rules, Regulations, Resolutions, and Limitations. The Board of Directors may at any time adopt, amend, and repeal rules, regulations and resolutions governing and limiting the number of memberships, the scope of membership privileges, and such other matters, whether or not relating to membership, as the Board may determine to be in the best interest of the Club.

2.11 Proprietary Rights. Each equity membership shall own an undivided, non-severable equal share in all property rights and interests of the Club. No classification of membership other than equity membership shall own any share in the property rights or interests in the Club. In the event of any sale, liquidation, dissolution, or winding up of the Club, whether voluntary or involuntary, the equity memberships shall be entitled to pro rata distribution of all such remaining property and rights of the Club, and shall after payment or provision for payment of all debts and obligations of the Club, be distributed exclusively and equally to the equity memberships. However, no part of the net earnings of the Club shall inure to the benefit of any equity member or other member. No equity member shall be entitled to a partition of any rights or interest in the property of the Club.

ARTICLE III **Member Meetings**

3.1. Voting Rights. Only equity memberships in good standing shall have the right to vote or to receive notice of any meeting. An equity member may cast one vote for each equity membership owned by the equity member. An equity member may vote by absentee ballot or mail-in ballot under such rules and regulations as the Board may adopt.

3.2. Annual Meetings. The purpose of the annual meeting of members is to elect directors and to transact such other matters as may properly come before the equity members. The annual meeting of the equity members of the Club shall be held at the Clubhouse on the last Monday of October each year at such time as is designated by the Board, or by the president in the absence of a designation by the Board; or it shall be held at such other date, time and place as may be designated by the Board, or by the president in the absence of a designation by the Board. The annual meeting of equity members for any year shall be held no later than twelve (12) months after the last annual meeting of equity members. However, failure to hold an annual meeting in a timely manner shall in no way affect the terms of officers or directors of the Club or the validity of actions of the Club.

3.3. Special Meetings. Special meetings of members may be called by the secretary upon the request of the president or upon the written request of at least one hundred (100) of the equity members in good standing. The purpose of each special meeting shall be stated in the notice and may only include purposes which are lawful and proper for members to consider.

3.4. Place of Meeting. The Board of Directors may designate any place within Provo, Utah County, State of Utah, as the place of meeting for any meeting of members. If no designation is made, then the place of meeting shall be the Clubhouse.

3.5. Notice of Meeting of Members. Written notice stating the place, date and time of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered personally, by electronic mail or by first-class mail not less than twenty (20) nor more than sixty (60) days before the date of the meeting. Notice shall be given by or at the direction of the president or the secretary or the persons calling the meeting to each member of record entitled to vote at the meeting. If by first class mail, such notice shall be deemed to have been delivered when deposited in the U.S. mail, addressed to the member at his or her address as it appears on the records of the Club, with postage prepaid.

3.6. Waiver of Notice. A written waiver of notice signed by a member, whether before or after a meeting, shall be equivalent to the giving of such notice. Attendance of a member at a meeting shall constitute a waiver of notice of such meeting, except when the member attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

3.7. Action by Written Ballot. The Board of Directors may submit any matter subject to voting by equity members, including the approval of any capital assessment to the equity members entitled to vote by written ballot in lieu of an annual, regular, or special meeting, or as an additional option for voting at such meeting. The Board at its discretion may require that voting on certain matters may only occur by attendance at the annual or special meeting of the members or by absentee ballot as hereinafter provided.

Such written ballot shall (a) set forth the proposed action to be taken; (b) provide an opportunity to vote for or against the proposed action; (c) indicate the number of responses necessary to form a majority of the ballots cast pursuant to the *action by written ballot* as may be necessary for approval of an expenditure; and (d) specify the time by which the ballot must be received by the Club in order to be counted, which date shall be at least fifteen (15) days from the date on which notice is mailed by first-class or registered mail or thirty (30) days if such notice is delivered by some other means to such equity members. Such ballot must be accompanied with written information sufficient to permit each person casting the ballot to reach an informed decision on the matter.

Equity Members may deliver their completed written ballots to the Club by mail, electronic mail, or in person. Such *action by written ballot* or votes cast by written ballot shall be counted equally with the votes of equity members in attendance at any meeting and shall have the same force and effect as action taken at a meeting of the equity members. Such votes cast by written ballot shall be counted for purposes of determining if a quorum is in attendance at an annual, regular or special meeting. Each

equity member shall be notified within ten (10) days after the ballots have been counted, by mail, email or other delivery of written notice, of the results of the ballot meeting or that a quorum of ballots was not returned

3.8. Member Quorum; Manner of Voting; Roberts Rules of Order. Unless otherwise required in the articles of incorporation, fifty (50) voting equity members appearing in person or by written ballot as set forth above shall constitute a quorum at an annual or special meeting of equity members. If a quorum is present, unless otherwise provided by law or in the articles of incorporation or these bylaws, the affirmative vote of a majority of the equity members at the meeting, absentee vote or mail-in ballot if authorized by the Board of Directors entitled to vote on the subject matter shall be the act of the equity members. After a quorum has been established at a meeting, the subsequent withdrawal of members, so as to reduce the number of members entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment of the meeting. If a quorum is not present when a meeting starts, then a majority of the equity members at the meeting may adjourn the meeting without further notice until a quorum is present. There shall be no cumulative voting. The order of business and procedure shall conform to Roberts Rules of Order, as revised.

ARTICLE IV

Fees, Dues, and Assessments

4.1. **Entrance Requirements** – Subject to change at any time by the board of directors, the fees of membership in the Club, exclusive of government taxes, shall be as follows:

- (A) **Equity Members** – Initiation fee shall be as established from time to time by the Board of Directors. Said Equity Members shall be obligated for any applicable dues, assessments and fees as set by the Board of Directors.
- (B) **Social Members** – Initiation Fee is established from time to time by the Board of Directors. One-hundred percent (100%) of said Initiation fee may be used as a credit toward the purchase of an Equity Membership. At the time a Social Member wants to purchase an Equity Membership, if club-owned memberships are available then the purchase will be a club-owned membership. If not, a member-owned membership may be purchased.
- (C) **Junior Members** -- Initiation Fee is established from time to time by the Board of Directors. One-hundred percent (100%) of said Initiation fee may be used as a credit toward the purchase of an Equity Membership by any such junior member at any time prior to a date no later than three (3) months after such junior member reaches the age of 36 years (however the Junior Membership terminates on the 36th birthday.) At the time a Junior Member wants to purchase an Equity Membership, if club-owned memberships are available then the purchase will be a club-owned membership. If not, a member-owned membership may be purchased.

- (D) **Non-Relative Junior Members** Initiation Fee is established from time to time by the Board of Directors (No additional Non-Relative Junior Memberships will be sold.) One-hundred percent (100%) of said Initiation fee may be used as a credit toward the purchase of an Equity Membership by any such Non Relative junior member at any time prior to a date no later than three (3) months after such Non-Relative junior member reaches the age of 36 years (however the Junior Membership terminates on the 36th birthday.) At the time a Non-Relative Junior Member wants to purchase an Equity Membership, if club-owned memberships are available then the purchase will be a club-owned membership. If not, a member-owned membership may be purchased.
- (E) **Dining Club Members** Initiation Fee is established from time to time by the Board of Directors (No additional Dining Club Memberships will be sold.) One-hundred percent (100%) of said Initiation fee may be used as a credit toward the purchase of an Equity Membership or a Social Membership. At the time a Dining Club Member wants to purchase an Equity Membership, if club-owned memberships are available then the purchase will be a club-owned membership. If not, a member-owned membership may be purchased.
- (F) **Corporate Dining Club Members** Initiation Fee is established from time to time by the Board of Directors (No additional Corporate Dining Club Memberships will be sold.) One-hundred percent (100%) of said Initiation fee may be used as a credit toward the purchase of an Equity Membership or a Social Membership. At the time a Corporate Dining Club Member wants to purchase and Equity or Social Membership, if club-owned memberships are available then the purchase will be a club-owned membership. If not, a member-owned membership may be purchased.

4.2. Dues. Dues shall be determined and published by the Board of Directors. Dues may differ between classifications, types, and categories of membership. Dues shall be due and payable in advance on the twentieth (20th) day of each month. Dues shall be delinquent if not paid by the last day of each month.

4.3. Assessments. Assessments for capital improvements against one or more classifications, types or categories of membership may be determined and levied by the Board of Directors at any time and by resolution adopted by the Board. Assessments may differ between classifications, types, and categories of membership. Assessments shall be due and payable as specified in the resolution. Such assessments shall be used exclusively for improvements to the Club property as contemplated by Section 4243(B) of the Internal Revenue Code or applicable revisions.

4.4. Application of Fees and Assessments. All monies received as initiation fees (not including transfer fee) may be used to defray current expenses, the payment of interest on indebtedness, or such other use or uses as the Board may determine. No holder of any membership shall have the right to compel an accounting for the use or disposition thereof.

4.5. Taxes. It shall be the obligation of each member to pay any tax or other charge, fee, or fine levied by the federal, state or local government on any initiation fees, dues, assessments or other amounts due to the Club from the member.

4.6. Transfer of Equity Membership. Except as in cases of family transfers as provided below, upon the transfer of any Equity Membership as provided in these bylaws, there shall be paid to the Club a transfer fee (amount to be determined from time to time by the Board of Directors.) At the time of this bylaw update transfer fees are \$3600 or 50% of the selling price of a membership (whichever is greater) for those who have been members of the club 10 consecutive years or longer; for those who have been members for less than 10 consecutive years the transfer fee is \$5000 or 50% (whichever is greater). Transfers of an Equity Membership to a son, daughter, son-in-law, or daughter-in-law (“family transfer”) shall be accompanied by a transfer fee of 50% of the established transfer fee amount.

4.7. Responsibility as to Debts. Each member shall be responsible to the Club for debts incurred by members of the family and their guests and for any and all damage caused by the member, their family or guests.

4.8. Responsibility to Club Members. The Club shall have no responsibility or liability for loss of or injury to any personal property of members, their families or guests. This includes golf equipment, clothing, or other personal property in the locker room, on the golf course, or elsewhere on the Club premises. Further, the Club shall have no responsibility of liability for injury or damage due to or arising out of the use of the Club facilities or exercise of the privileges of the Club, or occurring on the Club premises, to the person or property of a member, their family or guests.

4.9. Inactive Status. As provided in Section 2.7(H) above, dues shall be fifty (50%) percent of those established operating dues for Equity Resident Members during any period that an equity member has been placed in “inactive” status by the Board of Directors. However, all assessments shall still be payable during this period.

4.10. Delinquent Charges. If the Club account of any member is delinquent, the Club may, at its option, take whatever action it deems necessary to effect collection. If the Club commences legal action to collect any amount owed by a member, or to enforce any other liability of a member to the Club, and if judgment is obtained by the Club, the member shall also be liable for all costs and expenses of collection, the legal action, and reasonable attorneys’ fees (including fees required in connection with appellate proceeding).

ARTICLE V

Membership Record

5.1. Riverside Country Club shall maintain a Membership Record identifying the name, address and classification of all memberships in the Club. Such Membership Record shall list the date of sale or other transfer of such membership. A Membership shall not be listed on the Membership Record until approval of the acquisition of the Membership by the Board of Directors is complete as provided for herein.

ARTICLE VI

Termination or Transfer of Equity Memberships

6.1. General. No membership except equity memberships shall be sold, transferred, or assigned. No persons shall be deemed equity members of the Club unless and until the membership application is approved by the Board of Directors as provided in these bylaws.

6.2. Equity Memberships. Equity memberships may be sold or transferred only as herein provided. The Club will control the sale or transfer of such memberships as the exclusive agent of all holders thereof. Any sale or transfer is subject to approval as set forth in Article 2.3 above. Any sale or transfer shall be handled through the secretary or General Manager of the Club. Upon the approval of such sale or transfer, the Membership Record shall be amended to reflect such sale or transfer.

No sale or transfer shall become valid for any purpose until the same is approved by the Board of Directors. No equity member shall offer a membership for sale by advertising online, social media, or of any kind through sale by a third party. Any member violating this provision shall be subject to suspension or expulsion.

6.3. Sale of Equity Membership. A member desiring to sell an Equity Membership shall provide in writing a Notice of Intent to sell the membership to the General Manager of the Club setting forth the sales price asked and shall pay a Sales Fee of \$500. Said Sales Fee shall be non-refundable and shall be credited towards the Transfer Fee upon sale and transfer of the Equity Membership. A Transfer Fee in an amount determined by the Board of Directors (as mentioned above in section 4.6) shall be charged by the Club upon the sale. Thereafter, when such Equity Membership is sold or transferred, the Club shall credit the Sales Fee previously paid towards the Transfer Fee and retain from the sales proceeds the balance of the Transfer Fee. The Transfer Fee shall be used exclusively by the Club for capital improvements and to pay any applicable taxes incurred by the Club related to such sale. The remainder of the proceeds of the sale after deduction or offset for any unpaid dues, charges, assessments or fees shall be remitted to the seller or transferor.

The Notice of Intent to the Club Manager and payment of the Sales Fee shall not operate as a resignation or surrender of the Equity Membership. In the event that a Member fails to complete a sale of the membership upon receipt by the Club of a bona fide offer to purchase the Equity Membership, at the then current minimum sales price as established by the Board, the Sales Fee

shall be forfeited to the Club and the member shall be required to provide a new Notice of Intent to sell the Membership and pay an additional Sales Fee in order to sell such membership interest. Except as hereinafter provided or upon Resignation pursuant to Section 6.6 hereof, members shall continue to be responsible to pay all dues, assessments, and charges until the membership is sold or transferred. The transfer amounts received by the Club shall be used by the Club exclusively for capital improvements to Club property and to pay any applicable taxes incurred by the Club in connection with such a sale or transfer.

6.4. Payment of Debts Prior to Transfer. No Equity Membership may be sold or transferred to any person (other than to the Club) unless and until all debts, including charges, dues and assessments of the member and indebtedness on account of the membership shall have been paid. Any unpaid dues, assessments or accounts of a member shall constitute a lien on said membership.

6.5. Acquisition by the Club. Nothing contained in these bylaws shall be construed to prevent the Club purchasing with its funds any Equity Membership or from receiving such membership by resignation, forfeiture, or otherwise. The Club may hold the said membership as an asset of the Club to be sold or transferred thereafter for such price and upon such terms as the Board of Directors may determine.

6.6. Resignation. An Equity Member may resign, by written notice to the Club at any time upon the payment of a Resignation Fee of \$5,000 together with any accrued dues, fees, assessments and charges. Such resignation shall operate as an unconditional transfer to the Club of all rights, privileges, and interest of such member to the Club and its property.

6.7. Transfer to be Approved by the Board. Notwithstanding anything to the contrary in these bylaws, no transfer of an Equity Membership shall be valid until the transferee shall have been elected to membership in the usual manner and the transfer approved by the Board of Directors.

6.8. Transfer to Member of Family. Subject to the provisions of Section 6.4 above, and to approval by the Board of Directors in the usual manner, an equity member may transfer membership to a son, daughter, son-in-law, or daughter-in-law with payment of a Transfer Fee equal to 50% of the standard transfer fee amount.

6.10. Transfer Upon Death of Equity Member. Subject to Section 6.4 above, the Equity Membership of a deceased Equity member may be transferred by the estate or personal representative, as follows:

- (A) An Equity Membership may be transferred to the spouse of any deceased member without payment of a transfer fee.
- (B) The Equity Membership may be sold or transferred to someone else, upon the same terms and conditions as if sold or transferred during the life of a deceased member. If the membership becomes part of an estate while waiting to sell, the membership is placed on Inactive Status and the operating dues shall be billed at one half the normal rates. The assessments shall remain the same. During such period, the Estate holding such Equity Membership shall not be entitled to use the club facilities.
- (C) Upon the death of the owner of an Equity Membership, the surviving spouse or devisee will be entitled to elect to receive a waiver of the dues and assessments for a period of four (4) months (hereinafter “Waiver Period”) following such death. During such Waiver Period, the surviving spouse or devisee, as the case may be, shall be entitled to surrender the membership or convert it to another class of membership without incurring a Resignation Fee or Initiation Fee for such converted membership. In the event the surviving spouse or devisee elects to receive a waiver of the dues and assessments hereunder, such surviving spouse or devisee’s use of the Club shall be limited to the dining facilities. At the expiration of the Waiver Period, if the surviving spouse or devisee has not sold, surrendered or transferred the membership, such surviving spouse or devisee shall pay any and all dues and assessments accruing thereafter on account of such membership.
- (D) Any determination by the Board of Directors as to the party entitled to said membership, or the proceeds thereof, and of the endorsements required by the Board, shall be final, conclusive, and binding on all parties interested in said membership, or claiming any interest therein.

6.11 Temporary Transfer of Equity Membership upon Extended Absence.

Subject to the provisions for approval by the Board of Directors pursuant to Section 6.7 above, an equity member, who will be absent from the Club for a period of time of 6 months or longer and for a maximum period as approved by the Board, may request approval from the Board of Directors to transfer such membership to another individual upon the payment to the Club of a temporary transfer fee of \$1,000 for every six months of temporary transfer. The Transferee shall thereafter be responsible to pay all applicable dues, assessments, charges and fees during the term of the transfer. In the event Transferee desires to purchase an Equity membership, 100% of Transferee’s temporary transfer fee shall be applied toward the purchase of an equity membership. At the time a Transferee wants to purchase an Equity Membership, if club-owned memberships are available then the purchase will be a club-owned membership. If not, a member-owned membership may be purchased. Transferee can only lease a temporarily transferred membership one time.

ARTICLE VII

Board of Directors

7.1. Number, Qualification, Election and Tenure. The number of directors shall be nine (9), each of whom must be an equity member. Directors shall be elected by the members of the Board of Directors as provided in Article VIII. Said directors shall serve for the term specified when they are elected, commencing January 1 following such election and until their successors have been elected and qualified. The terms of the directors shall be staggered over three (3) years with three (3) directors to be elected each year. Wherever used in these bylaws, the word “Board” shall mean the Board of Directors.

7.2. General Powers. Subject to the limitations of the articles of incorporation, these bylaws, and the Utah Revised Nonprofit Corporation Act concerning corporate action that must be authorized or approved by the equity members of the Club, as each may be amended from time to time, all corporate powers shall be exercised by or under the authority of the Board of Directors, and the management and affairs of the Club shall be controlled by the Board of Directors. No less than a majority of the directors may take action binding on the Club. No committee or committee member may bind the Club to any contract, debt, or obligation without express authority from the Board of Directors, except as provided in these bylaws.

7.3. Specific Powers. In addition to powers imposed by these bylaws, the articles of incorporation, the Utah Revised Nonprofit Corporation Act or other applicable law, the Board of Directors shall prescribe and enforce rules for the government of the members, the Board, and all committees created by the Board, including, but not limited to:

- (A) Prescribe the terms upon which persons may be accepted to membership in the Club;
- (B) Accept or reject any application for membership;
- (C) Fix and prescribe classifications of members and the numbers which may be admitted to membership in each class;
- (D) Determine and fix admission fees and dues;
- (E) Levy assessments against the members and provide for the collection of the same. No assessment against any equity membership exceeding \$300.00 per year shall be levied by the Board of Directors without first obtaining a majority vote of Equity Members in attendance and voting absentee or by regular mail or email at a regularly scheduled annual meeting or special meeting of the membership;
- (F) Approve all salaries of Club employees;

- (G) Remove, with or without cause, any officer of the Club;
- (H) Fine, suspend, reprimand, or expel any member;
- (I) Make, alter, or amend, the Club rules;
- (J) Provide penalties for infractions of these bylaws, the articles of incorporation, or Club rules by members;
- (K) The Board of Directors shall not have authority to sell property owned by the Club without a two-thirds vote of the members at the annual or a special membership meeting or pursuant to action by written ballot as provided herein.
- (L) Do all other things permitted by law in the usual conduct of the affairs of a corporation.
- (M) The Board shall have the authority to interpret and apply the Club rules, these bylaws, and the articles of incorporation. Any determination by the Board shall be final.

7.4. Quorum and Voting. Unless otherwise provided herein, a majority of directors (meaning a minimum of five (5) directors) in office shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall constitute the action of the Board. If less than a quorum is present, then a majority of those directors present may adjourn the meeting without notice until a quorum is present. Each director shall have only one vote.

7.5. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors electing an equity member to fill the vacancy; provided, however, if there are fewer than five (5) remaining directors, the vacancies shall be filled by a vote of the equity members at a special meeting called for that purpose by the president. A director elected to fill a vacancy shall hold office for the term specified by the Board of Directors or equity members during the election to fill the vacancy, but such term shall not extend beyond the term of the vacated position being filled.

7.6. Removal. At any meeting of equity members called expressly for that purpose, any director or directors may be removed from office, with or without cause, by a majority vote of the equity membership. New directors may be elected by the equity members for the unexpired terms of directors removed from office at the same meetings at which such removals are voted. If the equity members fail to elect persons to fill the unexpired terms of removed directors, and if the equity members did not intend to decrease the number of directors to serve

on the Board, then the vacancies unfilled shall be filled in accordance with provisions in these bylaws for vacancies.

7.7. Presumption of Assent. A director of the Club who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he or she votes against such action or abstains from voting because of an asserted conflict of interest.

7.8. Annual Meetings. Any requirement for holding an annual meeting of the Board of Directors is hereby eliminated by these bylaws and is not required. The Board may determine by resolution to hold an annual meeting at the same place as and immediately preceding or following each annual meeting of equity members for the purpose of the election of officers and the transaction of such other business as may come before the meeting. If a majority of the directors are present at the annual meeting of equity members, no prior notice of the annual meeting of the Board of Directors shall be required. However, another place and time for such meeting may be fixed in accordance with a resolution of the Board of Directors.

7.9. Regular Meetings. Regular meetings of the Board shall be held at least once a month, except that the Board may, for good cause stated in its minutes, omit one regular monthly meeting during the summer each year. Regular meetings may be held without notice at such time and at such place as shall be determined by the Board of Directors. As set forth in Section 9.2 below, in their September regular meeting of each year, the Board of Directors shall elect an incoming president for the ensuing year from the six (6) directors whose terms will carry-over to the next year. In January, the newly elected incoming president will select a vice president, secretary, and treasurer (each to serve for a one (1) year term) from the eight (8) remaining directors.

7.10. Special Meetings. Special meetings of the Board may be called by the president, or in the absence of the president, by the vice president or by any two (2) directors. The person or persons authorized to call special meetings of the Board of Directors may fix a reasonable time and place within Utah County for holding them. Notice of the time and place of any special meeting shall be given to each director by the secretary, or the president or directors calling such meeting, in sufficient time to enable all directors to attend.

7.11. Telephone Meetings. Directors may participate in meetings of the Board by means of a conference telephone or similar communications equipment by which all persons participating can hear each other at the same time, and participation by such means shall constitute presence in person at such a meeting.

7.12. Action Without Meeting. Any action of the Board may be taken without a meeting if each and every director, in writing, either votes for the action, votes against the action, or abstains from voting and waives the right to demand that action not be taken without a meeting. Action is taken under this Section 7.12 only if the affirmative vote for the action equals or exceeds the minimum number of votes necessary to take action at a meeting at which all of the directors then in office were present and voted and the writings are filed in the minutes of the Board of Directors. Action taken pursuant to this Section 7.12 shall be effective when the last writing necessary to effect the action is received by the Board. Action taken without a meeting shall have the same effect as an action taken at a meeting of the Board and may be described as an action taken at a meeting of the Board in any document.

7.13. Notice and Waiver. Notice of any special meeting shall be given to each director by the secretary, or the president, or by the directors calling such meeting, at least ten (10) days prior to the meeting by written notice delivered personally, by email or by mail to each director at their address. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail with postage prepaid. Any director may waive notice of any meeting, either before, at, or after such meeting by signing a waiver of notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver of all objections to the place of such meeting or the manner in which it has been called or convened, except when a director states at the beginning of the meeting any objection to the transaction of business because the meeting is not lawfully called or convened.

7.14. Compensation. No director shall receive compensation for any service they may render to the Club. However, any director may be reimbursed for actual expenses incurred in the performance of their duties.

ARTICLE VIII

Nominations and Elections of Directors

8.1. Nominating and Governance Committee and Election Procedure. At a regular meeting of the Board of Directors held in July of each year, the Board, shall appoint a nominating committee of four (4) equity members, consisting of the last four Presidents of the Club with the most Senior Past President serving as Chair and three additional equity members at large selected by the Committee and approved by the Board to each serve a three-year term with one rotating off each year. The names of equity members appointed to the nominating committee shall be posted in a conspicuous place on or before the first day of August of each year. The nominating committee shall do the following:

- (A) Determine the number of directorship positions to be filled to satisfy the requirements of these bylaws;

(B) The nominating committee shall provide at least three (3) equity members in good standing as nominees for the directorship positions that are to be filled;

(C) Before the first day of September of each year, the nominating committee shall present the names of the nominees to the Board of Directors at a regular meeting of the Board. The Board shall cause the list of nominees to be posted and printed in the club newsletter;

(D) Additional nominees may be submitted to the Board of Directors for consideration for election to the Board on or before October 5th by a petition signed by at least forty-five (45) Equity Members.

(E) The names of all of the nominees to fill the directorship positions shall be listed in alphabetical order on one ballot. The ballot shall be submitted to the Equity Membership for a vote at the Annual Meeting or in conformity with the provisions for action by Written Ballot as provided for herein.

(F) This committee will be responsible for regularly reviewing the club's bylaws, evaluating current governance practices, and making recommendations for consideration to the Board as it relates to bylaw amendments, policy changes, and best practices.

ARTICLE LX

Officers

9.1. Officers. The officers of this Club shall be a president, a vice president, a secretary and a treasurer, each of whom shall be an equity member of the Club and members of the Board. The offices of secretary and treasurer may be held by the same person; however, no person shall simultaneously hold more than one (1) of any of the other offices specified in this section. Such other subordinate officers and assistant officers, as may be deemed appropriate, may be elected by the Board of Directors and shall have such authority, hold office for such length of time, and perform such duties as the Board may prescribe. A failure to elect any officer shall not affect the existence of the Club.

9.2. Election and Term of Office. The president of the Club shall be elected annually by the Board of Directors at the September regular meeting of the Board for the ensuing year from the six (6) directors whose terms will carry-over to the next year. At the January regular meeting of the Board, the newly elected incoming president will select a vice president, a secretary, and a treasurer from the eight (8) remaining directors. If the election or appointment of officers is not held at such meeting, such election or appointment shall be held as soon as convenient. Each officer shall hold office for a term of one (1) year and until his or her successor

shall have been duly elected and shall have qualified, or until the officer's death, or until he or she shall resign or shall have been removed in the manner provided below, whichever occurs first.

9.3. Resignation. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. The resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

9.4. Removal. Any officer may be removed from office at any time, with or without cause, on the affirmative vote of a majority of the Board of Directors whenever, in its judgment, the best interests of the Club will be served by such removal.

9.5. Vacancies. A vacancy in the office of president, however occasioned, may be filled at any time by election by the Board of Directors for the unexpired terms of such office. However, vacancies in any other offices, however occasioned, may be filled at any time by appointment of the president for the unexpired terms of such offices.

9.6. Compensation of Officers. No officer may receive any compensation from the Club for acting as an officer, unless the compensation is authorized by a binding vote of the equity members.

9.7. Duties. Subject to the following, the officers of the Club shall have such powers and duties as usually pertain to their respective offices and such additional powers and duties specifically conferred by law, by the articles of incorporation, by these bylaws, or as may be assigned to them by the Board of Directors, including as follows:

(A) **President:** The president shall be the chief executive officer of the Club; preside, when present, at meetings of the members and directors, and directs the performance by the officers and committees of their respective duties in accordance with the Articles of Incorporation, the Bylaws of the Club, and resolutions of the Board of Directors. The president, along with the secretary shall make an annual report to the Board and to the members, in the capacity as chief executive officer of the Club. The president shall sign all written contracts, obligations and instruments of the Club. The president shall be a member, ex-officio, of all standing committees and shall have the general duties of supervision and management vested in the president of a corporation.

(B) **Vice President:** The vice president shall perform all of the duties of the president in the absence or failure or refusal of the president to perform them. In the absence of both the president and the vice president, the Board of Directors shall choose the presiding officer.

(C) **Secretary:** The secretary shall perform any and all legal duties under the articles of incorporation and incident to the corporate affairs of the office of secretary. The secretary shall be the custodian of the seal of corporation, and affix it to all documents that require it. With the president, the secretary shall sign or counter sign written contracts and affix the corporate seal whenever required. The secretary shall give notice of all meetings of the Club and of the Board of Directors. The secretary shall conduct the correspondence and keep records of the Club and shall notify persons elected to membership of their election, and shall furnish the treasurer with the names of all persons elected. The secretary shall keep a complete list of all members of the Club by classifications in the book provided for this purpose. The secretary shall perform such other duties as the Board may assign.

(D) **Treasurer:** The treasurer shall perform any and all legal duties under the articles of incorporation and incident to the office of treasurer. The treasurer shall be the custodian of all Club funds, receiving all fees, dues, and other revenues of the Club; deposit the same in the name of the Club in depositories designated by the Board of Directors, pay all bills on the certification of the Club General Manager and/or Board of Directors, and disburse the Club funds as authorized by the Board; except as these bylaws otherwise provide, sign or countersign all checks as such disbursing officer; keep or cause to be kept proper vouchers of all sums disbursed and complete and regulate accounts in accordance with a system satisfactory to the Board and report thereon as often as required by the Board. The treasurer's accounts shall be audited annually by the Finance Committee or a certified public accountant selected by the Board.

9.8. General Manager. The Board shall appoint a General Manager to assist in the operation of the Club. The General Manager is responsible for the entire operation of the Riverside Country Club in accordance with policies and directives of the Board of Directors. The General Manager shall perform the usual functions of a general manager, including, but not limited to the following:

(A) Serves in the capacity of chief operating officer of the entire Club and implements the policies established by the Board of Directors.

(B) Develops operational policies and is responsible for creation and implementation of standard operating procedures for all areas of the Club.

(C) Directly supervises all department heads, including the Head Golf Professional, Greens Superintendent, Food and Beverage Manager, Chef, Event Manager, Athletic Club Manager, Facilities Manager and Office Manager.

(D) Assist the Board of Directors in selection of the Head Golf Professional and Greens Superintendent, and hires other employees of the Club and assists the department heads in the evaluation of all personnel.

(E) Writes directives, manuals, work schedules covering policies, rules and regulations, and approves all directives written by department heads.

(F) As General Manager over all departments, he/ she must be consulted as to policy changes in the operation of each department and may also initiate necessary changes. He has ultimate authority over interdepartmental disputes and implements policies concerning employee-employer relations.

(G) Responsible for quality levels and standards in goods, services, activities, and physical facilities.

(H) Works with the Club treasurer and Finance Committee in development and preparation of the annual operating budget and, after approval from the Board of Directors, manages and controls the operations to attain the desired results. Assists the treasurer in monthly and year-to-date reporting to the Board of Directors.

(I) Works with the treasurer and others assigned in the preparation of the annual and long-range capital account budgets.

(J) Attends committee meetings, coordinates activities between committees and assists Board representatives in communicating to Club president and Board of Directors.

(K) Assist chairman of Membership Committee in fellowshipping new members.

(L) Assists Club president in community relations activities.

ARTICLE X

Committees

10.1 Creation of Committees. The president shall, with the approval of the Board of Directors, appoint from the equity members, suitable committees for the affairs of the Club. The committees shall have such powers and duties as are lawfully delegated to them by the president with the approval of the Board. The president shall be an ex officio member of each committee, but shall have no right to vote at a committee meeting.

10.2 Standing Committees. At the discretion of the Board, the Board may appoint the following standing committees and which shall have the following duties. The Board may modify, change or amend the terms and numbers of committee members to meet the needs of the Club:

(A) Membership Committee. The Membership Committee shall be composed of three (3) Equity Resident Members. The Membership Committee shall consider all proposals for membership; shall investigate the character, financial position and

community standing together with the general eligibility of all persons proposed for membership, and shall report its findings and decisions to the Board.

(B) House Committee. The House Committee shall be composed of six (6) Equity Resident and/or Social Members appointed for a three (3) year term. Two (2) members will be appointed each year by the president. The president will designate who will serve as chairman and vice chairman. Subject to the direction of the Board of Directors, the House Committee shall be responsible for and have control over the Clubhouse operation, subject to review by the Board of Directors.

The committee will review and make recommendations to the Board of Directors regarding the Clubhouse operation including: (1) Use of the Clubhouse by members and their guests; (2) Hours of Clubhouse operation; (3) Operating procedures of the Clubhouse; (4) Approval of Clubhouse menus and prices; (5) Monthly review of the operating statement in regards to the house operation; and, (6) Make recommendations of furnishings, and decorating around the Clubhouse.

(C) Land and Water Committee. This committee shall consist of five (5) Equity Members. To give continuity to the policies and plans developed by the committee the term of each member shall serve for five (5) years. Upon the expiration of each term, the president shall appoint a member to serve for five (5) years so that while each member shall be five (5) years, there may be one vacancy to be filled each year. If any member shall resign or be unable to serve, the president shall appoint someone else to serve the balance of this unexpired term. This committee, subject to the approval of the Board, shall have supervision of all land, boundaries, roadways, and titles concerning property of the Club; and all water, water rights, lakes, ditches, and supply pipelines for Club use or control.

The duties of this committee shall include, but not be limited to, the following: (1) The development of long-term plans and policies for the protection, maintenance, and improvement of the Club's physical property to the end that the maximum use may be made thereof without wasteful, ill-advised expenditures; (2) The preservation of all title documents or agreements relating to Club property and the protection of the Club's property and water rights; (3) The preparation and keeping current of reports showing the Club's property and water, the cost of acquisition, improvements thereto, and maintenance thereof. Such reports shall be submitted to the Board on or before February 1st of each year: and, (4) This committee shall work closely with the Greens Committee since the physical changes made in property fencing, accesses, roadways, etc., and water storage, channeling, etc., would often be made under the direction of the Greens Superintendent. The committee shall have other such duties and functions as may be delegated to it by the Board of Directors.

(D) Finance Committee The Finance Committee shall consist of such numbers of Equity Resident Members as shall from time to time be determined by the Board of Directors to be necessary or desirable. It shall have a special regard for and shall suggest means for improving the financial position of the Club. The Finance Committee shall

keep itself informed of the financial position and affairs of the Club; pursue collection of money from those members of the Club who are delinquent; make such reports to the Board as may be required by the Board; prepare and present to the Board a recommended budget of estimated income and expenditures for the fiscal year of the Club; and generally have such other duties as may be assigned to it by the Board.

(E) Long-Range and Strategic Planning Committee This committee shall consist of the four (4) most recent Past club Presidents that are still Equity Members of the club and four (4) at large equity members selected by the Committee and approved by the Board to serve four (4) year terms. The current Past President of the club shall serve as Chairman for one year.

(F) Golf Committee. This committee is composed of six (6) Equity Members appointed for a three (3) year term. Two (2) members will be appointed each year by the president. The president will designate who will serve as chairman and vice chairman. Responsibilities of the Golf Committee shall be as follows: (1) Handle all affairs relating to golf play, subject to the direction of the Board; (2) Provide tournament and other activities to stimulate interest in golf among the membership; (3) Conduct an interesting and challenging Junior Golf program; (4) Control use of course by outside or special groups; and, (5) Any other assignments given to the committee by the Board of Directors.

(G) Pool Committee The Pool Committee shall be comprised of five (5) Equity Resident or Social Members. Subject to approval of the Board of Directors, the Pool Committee shall be responsible for the operation of the pool, and with the approval of the Board, make rules and regulations governing the use of the pool by members and guests.

(H) Tennis Committee. The Tennis Committee shall be comprised of the following: (1) a Board representative, assigned by the president; (2) a chairman who must be an Equity Member and shall be assigned by the president; and, (3) four (4) additional Equity or Social Members or spouses selected by the president or by the chairperson, if the president delegates such power to the chairman.

The Tennis Committee will develop rules and regulations regarding scheduling of court times including age restriction, develop programs for instruction and other activities for eligible children of members, i.e. junior programs, and develop programs for adult members, etc. The Tennis Committee will, from time to time, make other recommendations to the Board regarding the tennis operation.

(I) Greens Committee. This committee shall consist of six (6) Equity Members appointed for a three-year term. Two (2) members will be appointed each year by the president. The president will designate who will serve as chairman and vice chairman. This committee, through the Greens Superintendent, shall be responsible for the condition, maintenance, repair, construction and reconstruction of all lands owned by the Club. This committee is also responsible for the water distribution system. The committee will not be charged with maintenance or construction of Club buildings except buildings and incidental improvements located or to be located on the golf course

property, and shall advise on the purchases and expenditures in connection therewith. The committee will provide recommendations to the Greens Superintendent on the operation of his department including golf course maintenance, equipment used, employee training and duties.

(J) Mulligan Committee. The Mulligan Committee will be responsible for running the Annual Mulligan Tournament. The following criteria will be followed in managing the yearly tournament: (1) Mulligan chairman will be appointed by newly elected Club president; (2) Mulligan facts will be included in new member information packets; (3) the Mulligan Committee will be limited to fifteen (15) members; (4) a waiting list is to be handled by Head Golf Professional with the most current list posted in the locker rooms; (5) any vacant positions on the committee will be filled from the Equity Membership at large; (6) a Board representative will be assigned to the Mulligan committee; (7) all accounting for the Mulligan Tournament will go through the Club office; (8) the committee chairman and Board representative will account for and balance the tournament budget; (9) the committee, at the direction of the chairman, will determine the amount of funds to be allocated to the purchase of prizes through the Pro Shop, subject to approval by the Board of Directors; and, (10) any changes in the Mulligan format must be approved by the Board of Directors.

10.3 Other Committees. The Board may appoint such other committees as it deems necessary or advisable, which shall have such powers and duties as the president shall determine, with the approval of the Board. Such other committees shall have such functions and may exercise such power of the President or Board of Directors as can be lawfully delegated by them.

10.4 Meetings. Regular meetings of the committees may be held without notice at such time and at such place as shall be determined by the committees, and special meetings of the committees may be called by any member of the committee upon twenty (20) days' notice to the other members of such committee, or on such shorter notice as may be agreed to in writing by each of the other members of such committee, given either personally or in the manner provided in these bylaws pertaining to notice for directors' meetings.

10.5 Vacancies. Except as otherwise provided herein, vacancies on the committees shall be filled by the president appointing a member to fill the vacancy.

10.6 Quorum. At all meetings of each committee, a majority of the committee's members then in office shall constitute a quorum for the transaction of business.

10.7 Manner of Acting. The acts of a majority of the members of each committee present at any meeting at which there is a quorum shall be the act of such committee.

10.8 Minutes. If requested by the Board, the committees shall keep regular minutes of their proceedings and report them to the Board.

10.9 Meeting Attendance. Any committee member absent from three (3) consecutive regular committee meetings, without satisfactory reasons being given, shall be determined resigned therefrom.

10.10 Social Members and Spouses of Equity or Social Members. Unless the Board determines that a specific committee should be comprised of only Equity Members, Social Members and spouses of any Equity or Social Members may serve on any committees.

ARTICLE XL

Club Rules and Regulations

11.1 Binding on Members. All rules and regulations adopted by the Board of Directors shall be binding upon all members, unless otherwise specified in the rules and regulations. Each rule and regulation shall remain in effect until it is amended, terminated, repealed or withdrawn by the Board.

11.2 Formulation. All Club rules governing members and guests shall be formulated by the appropriate standing or other committee, and shall, before becoming effective, be approved by the Board of Directors.

11.3 Publication. Copies of all house rules and bylaws shall be available in the Clubhouse, and the secretary shall distribute copies thereof and all future amendments thereto, to all members of the Club.

11.4 Enforcement and Penalties. The Board of Directors shall prescribe such penalties and levy such fines for infractions of these bylaws and any rules promulgated hereunder as it determines just and proper.

ARTICLE XII

Delinquent Accounts

12.1 Time Delinquent. As soon as practicable after the end of the month, a statement of account shall be sent to each member indebted to the Club on account of charges, dues, assessments, etc. All indebtedness of members of the Club shall be due and payable on or before the twentieth (20th) day of the month following that in which the indebtedness was incurred. Accounts not paid by such time will be considered delinquent. Delinquent accounts will be charged as determined by the Board of Directors.

12.2 Billing Procedure. Example of Accounts Receivable schedule policy:

- (A) January 1st - January dues and December charges BILLED.
- (B) January 20th - January dues and December charges DUE.
- (C) February 1st - February dues and January charges BILLED.
- (D) February 20th - February dues and January charges DUE.
- (E) This schedule will continue on all subsequent months of the year.

12.3 Penalties for Delinquent Payment. Any member who fails to pay any initiation fees, dues, assessments, or any other amount due the Club, together with any applicable taxes, by the 1st day of the month following the date they are due shall be delinquent. The delinquent policy is as follows:

- (A) Interest will commence at 2% per month on all accounts that are not paid in full by the first day of the following month when new statements are sent. A reminder letter will be sent to all members in this category when the account is approximately 30-days past due.
- (B) In the event an account reaches 60-days late, the member will receive a letter from the Club reminding them that until paid in full, their account must be placed on a cash-only basis (including charges in the golf shop).
- (C) Once an account is 90-days late, another letter will be sent informing the member that the account has been suspended until payment is received ... bringing the account current.
- (D) At 120-days late, unless a member has made acceptable payment arrangements with the General Manager and the Board of Directors, a member will receive notification from the club's legal counsel that the membership will be confiscated by the Board for non-payment and collection remedies will be pursued.

The Board of Directors has the power, but not the duty, to reinstate an expelled member upon payment of all amounts due plus such interest (not to exceed 24% per annum) and such administrative fines as determined by the Board. Notwithstanding the above, the Board may at any time, in its sole discretion, grant an extension of time to any member to pay an amount due the Club or take other appropriate action.

ARTICLE XIII
Reprimand Suspension and Expulsion of Members

13.1 Reinstatement. While any delinquent member is suspended and at any time before expulsion or forfeiture, such member may be reinstated by the Board at the time of payment of the total indebtedness which includes dues during suspension. The Board, in its sole discretion, may assess a penalty of ten percent (10%) of such total indebtedness.

13.2 Discipline. The Board shall have authority to privately discipline, publicly reprimand, suspend, or expel any member for cause. Such cause may consist of the violation of any bylaws or rules of the Club; for conduct, which in the opinion of the Board, is prejudicial to the Club's welfare, or to the good order or discipline therein or upon the premises; or for any improper usage of the Club or its property.

Within ten (10) days after expulsion for any cause, except for delinquency in accounts, dues, fees, or assessments the expelled member may appeal to the membership by notifying the secretary in writing of the desire to appeal. Within forty five (45) days thereafter, a special meeting of the membership shall be called and held for the purpose of hearing the appeal. The decision of the majority of the membership present at the meeting shall be final.

Public reprimand, suspension, or expulsion of any member for cause, including delinquency, shall not be made by the Board of Directors until a member shall have an opportunity to present a defense. One (1) week's written notice, specifying the time and place that the Board will consider the charges accompanying the written specifications thereof, shall be considered sufficient opportunity to present such a defense.

A member may be privately disciplined for cause upon the affirmative vote of a majority of the Directors present at the meeting. Public reprimand or suspension shall require the affirmative vote of five (5) of the nine (9) directors. Expulsion shall require the affirmative vote of seven (7) of the nine (9) directors.

13.3 Expulsion or Forfeiture. In cases of Expulsion of a member holding a Certificate of Equity Membership, or the forfeiture of such certificate, as provided in these bylaws shall thereupon revert to the Club. Said expulsion or forfeiture shall operate as an unconditional assignment to the corporation of all rights, title, privileges, and interest of such member in and to such member's Certificate of Equity Membership, which shall immediately become property of the Club. In the event of Expulsion or forfeiture of an Equity Membership, the member shall be responsible for any applicable Surrender Fee.

13.4 Litigation Against the Club. Commencement and pursuit of litigation against the Club by its members is prejudicial to the Club's welfare and to the good order and operation of the Club. The Club encourages resolution of any disputes be handled in an amicable way without the resort to litigation. Any Member that files litigation against the Club is subject to

expulsion at the discretion of the Board.

ARTICLE XIV **Resignation of Non-Equity Members**

14.1. Resignation. Any Non-Equity Member (JR, Social and Dining Club), after paying all indebtedness to the Club, may resign at any time and thereupon be entitled to have a resignation accepted by the Board.

14.2. Termination of Membership. Except as maybe otherwise provided in these bylaws, non-equity memberships in the Club are not transferrable, nor do they pass by descent or devise.

ARTICLE XV **Books, Records and Reports**

15.1. Report to Members. The Club shall make an annual financial report available to the members of the Club not later than four (4) months after the close of each fiscal year of the Club. Such report shall include a balance sheet as of the close of the fiscal year of the Club and a revenue and disbursement statement for the year ending on such closing date.

15.2. Inspection of Corporate Records. Any person who is an Equity Member in good standing shall have the right, for any proper purpose and at any reasonable time, on written demand stating the purpose, to examine and make copies from the relevant books and records of accounts, minutes, and records of members of the Club. Upon the written request of any equity member, the Club shall mail to such member a copy of the most recent balance sheet and revenue and disbursement statement. If such request is received by the Club before such financial statements are available for its last fiscal year, the Club shall mail such financial statements as soon as they become available. In any event, the financial statements must be mailed within four (4) months after the close of the last fiscal year. Additionally, balance sheets and revenue and disbursement statements shall be filed in the registered office of the Club in the State of Utah, shall be kept for at least seven (7) years, and shall be subject to inspection during business hours by any Equity Member, in person or by agent.

ARTICLE XVI **Nonprofit Operation**

No dividends will be paid to any Equity Member or other member. No part of the income or net earnings of the Club will be distributed to its Equity Members or other members. The Club may contract in due course with its members, directors and officers without violating this provision.

ARTICLE XVII
Indemnification

The Club shall indemnify each officer and director, including former officers and directors, to the full extent permitted by the Utah Revised Nonprofit Corporation Act.

ARTICLE XVIII
Dissolution

In the case the corporation shall be dissolved or occasion arise for the distribution of its assets, Equity Members in good standing, holding Certificates of Equity Membership, shall participate on a pro-rata basis in the distribution of the net assets of the corporation.

ARTICLE XIX
Amendments

These bylaws may be altered, amended, repealed, or replaced and new bylaws may be adopted by the approval of at least two-thirds (2/3) of the directors present at any regular or special meeting of the Board of Directors provided that written notice of the proposed change must be given at the previous regular meeting of the Board.

ARTICLE XX
Repeal of Prior Bylaws

All prior bylaws of the Club heretofore adopted or any resolutions of the Board in effect contrary to the provisions of these bylaws are hereby expressly repealed.