

Approved By Laws

February 5, 1968 (Amended Feb. 3, 1973 & June 15, 1986)

THE CONEJO FAMILY COUNTRY CLUB, INC.

ARTICLE I

PRINCIPAL OFFICE

The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in said city. Any such changes shall be noted on the By-Laws by the Secretary, opposite this section or this section may be amended to state the new location.

ARTICLE II

MEMBERS

Section 1.) Classes of Memberships

This corporation (hereinafter referred to as "Club") shall have two classes of Members, namely, *Participating* and *Special*.

Section 2.) Participating Members

Participating Members shall be those persons who are elected as such by the Board of Directors. The number of Participating Members shall not exceed one hundred (100). Only the Participating Members shall be deemed to have any interest in the property or assets of the Club and such interest shall cease when he ceases to be a Participating Member of the Club. Upon liquidation of the Club, only the Participating Members shall be entitled to share in the assets of the Club available for distribution. Participating members in good standing shall enjoy full use of the Club, as shall their spouses and unmarried sons and daughters who comprise their households. They may apply to the Board of Directors for Club privileges for other members of their household.

Section 3.) Special Members

Special Members shall be those persons elected as such by the Board of Directors. Application and qualification for such membership shall be in the manner provided in Section 5 and Section 6 hereof. Special Members shall not be deemed to have any interest in the property or assets of the Club and shall not be entitled to share any of its property or assets upon liquidation. Special members in good standing shall enjoy full use of the Club, as shall their spouses and their unmarried sons and daughters who comprise their households, but

shall not have the privilege of voting and holding office. Special Memberships shall not be transferrable.

Special memberships are not transferrable and shall be limited to a six (6) month maximum period with all rights of Club privileges ceasing at the end of that period. The Board of Directors may renew such memberships at its option for additional six (6) month periods.

Section 4.) Waiting List

A waiting list of applicants for Participating Membership shall be kept by the Secretary of the Club or Vice President of the Club and shall be available upon request by Participating Members desiring to sell.

Section 5.) Applications

All applications for membership shall be in writing in form and content as the Board of Directors shall prescribe, signed by the applicant and sponsored by at least one Participating Member of the Club in good standing. Applications for membership shall be processed by such persons and committees shall permit the withdrawal by any sponsor of the name of any applicant prior to submission of such name to the Board of Directors for the purpose of voting on the same. Election of Members shall be by secret ballot of a quorum of the Board of Directors. Each applicant shall be voted upon separately. One (1) negative vote at such election shall constitute a denial of the application for membership. No applicant who has been rejected shall again be proposed for membership earlier than six (6) months following the date of his last previous rejection.

Section 6.) Requirements for Membership

A person shall qualify for membership by (1) being elected by the Board of Directors; and (2) paying in cash or making arrangements satisfactory to the Board for the payment of required fees and taxes if any; and (3) receiving a Participating or Special Certificate of Membership.

The Board of Directors may permit the required initial payment to be made in installments and may issue membership certificates prior to full payment; provided, that if the Member fails to pay any installment thereof promptly when due he shall thereupon and thereby forfeit his membership and shall not be entitled to recover any installment(s) theretofore paid. The Board of Directors shall have the right to waive any forfeiture provided for in this section such as conditions as the Board may prescribe.

Section 7.) Transfer of Memberships

Any Participating member in good standing may transfer his membership to any person not a Participating Member, only in the manner herein presented, and provided that (1) such other person is elected to membership as a Participating member by the Board of Directors, (2) all indebtedness to the Club of the transferring member is paid, and (3) taxes, if any and such transfer fee as the Board of Directors may establish is paid to the Club. Such Member shall first have the right to offer his membership for sale to the person, if any, who purchases the Member's residence. If the Member is not selling his residence, or if the person purchasing the Member's residence does not desire to purchase the membership, or is not elected to membership, the Club shall have the option for fourteen (14) days after receipt of notice that such membership is for sale to purchase such membership. No person shall be deemed to be a Member until he shall have first actually obtained a properly executed Certificate of Membership. Until then, his right to membership may be withheld or cancelled by the Board of Directors. Any Participating Member transferring his membership shall deposit his membership certificate with the Treasurer of the Club properly endorsed so as to constitute good delivery.

Section 8.) Transfer in the Event of Death of a Participating Member

Upon the death of a Participating Member in good standing, his membership may be transferred, without payment of a transfer fee, to the duly appointed representative of the Member's estate and then without regard to priority to his widow, son, son-in-law or daughter or daughter-in-law, or to the legatee designated in the Member's will to receive such membership, provided any such person is elected to membership by the Board of Directors, and provided that all indebtedness of the deceased Member of the Club is paid. Upon the death of a Participating Member in good standing, the legal representative of the estate of such deceased Member may transfer the membership to any person other than those mentioned in the preceding sentence only in the manner provided in Section 7 hereof. Transfers upon the death of a Member shall be completed within twelve (12) months of the date of death unless said period is extended by the Board of Directors. In the event that such transfer is not made within said period of time, such membership shall be deemed cancelled and the property rights of the deceased Member shall be deemed surrendered to the Club. If the deceased Member of the Club is not in good standing at the time of his death, his membership may be transferred by the legal representative of his estate only upon such further conditions as the Board of Directors may prescribe. No dues shall accrue on account of

the membership of a deceased Member for a period of three (3) months next following the date of the death of such deceased Member. Thereafter, such membership shall be charged with the same dues as other Participating Members of the Club, and if not paid when due, such dues, together with any unpaid assessments and taxes, and penalties, shall accumulate and be payable upon transfer of the membership.

Section 9.) Dues, Assessments, Charges and Penalties

- a. Dues- Participating Members of the Club shall pay in advance such dues voted upon by a majority of Participating Members present at any regular or special meeting. All dues shall be due and payable on the first day of each month and shall be delinquent if not paid by the fifteenth (15th) day of the month. Special Members shall pay dues as prescribed by the Board of Directors.
- b. Assessments- Participating Members shall be subject to such assessments as may from time to time be voted by a majority of Participating Members in good standing. Assessments shall be due and delinquent as prescribed by the Board of Directors.
- c. Charges- All Members shall be liable for all charges and obligations of members of their households and of their guests and for all damage to the property of the Club caused by them, the members of their household or their guests.
- d. Penalties- The Board of Directors may prescribe penalties for delinquency in payments of any of the above dues, assessments and charges.
- e. Participating Members shall be subject to the requirements of this section until such time as ownership of their Membership is transferred.

Section 10.) Delinquencies

The Treasurer or other person designated by the Board of Directors shall mail a notice of indebtedness to each Member of the Club who is delinquent, specifying the amount due and requesting payment thereof. If a Member remains delinquent for a period of sixty (60) days, the Board of Directors, at any time thereafter while such indebtedness remains unpaid, may suspend such Member upon payment to the Club of the indebtedness owed by such Member to the Club, including all dues, charges, penalties, assessments and taxes charged to assessed against memberships of the same class after the date of suspension, such Member may apply in writing to the Board of Directors for termination of such suspension. It shall be discretionary with the Board of Directors whether to grant or deny such request. Any suspended Member who does not apply to the Club for termination of suspension and pay the

sums required to be paid as hereinbefore provided shall no longer have any rights therein. The Club shall have a first lien upon each Participating Membership for any unpaid indebtedness date of suspension, to purchase the membership certificate of any suspended Participating member by paying the current equity value of the membership, less the amount of such Participating Member's indebtedness to the Club. If the Club does not exercise such option the Board of Directors shall have the right to require such Participating Membership to be offered for sale at said price, plus taxes and transfer fee, and to deduct from the price paid therefor the amount of such Participating Member's indebtedness to the Club.

Section 11.) Liabilities

- a. Taxes- Each Participating Member of the Club shall be liable for all taxes, federal, state or local, which may be payable on account of, or with reference to any admission or transfer fee, dues or assessments pertaining to his Membership of which may be otherwise payable on account of or with reference to his class of Membership, including pro-rats share of property, income and payroll taxes and assessments.
- b. Operating Costs- Each Participating Member of the Club shall be liable for his proportionate share of all costs of operation maintenance, upkeep, insurance and repair of the Club and its related land, facilities, buildings and appurtenances thereto.

Section 12. Suspension and Expulsion of Members

- a. Suspension of Members- Members may be suspended as provided by Article II, Section 10 and Article III, Section 11 (c). Suspended Members shall lose all Club privileges and voting rights until the suspension is cleared up.
- b. Expulsion of Members- Members may be expelled as provided in Article II, Section 10, and Article III, Section 11 (c). Special Members shall lose all rights and privileges of the Club. Participating Members shall be considered expelled when the Club exercises its option to purchase the Membership certificate of the expelled Member by paying the current equity value of the membership less the amount of such Participating Member's indebtedness to the Club.

Article III

Board of Directors

Section 1.) Management

The management of the affairs of the Club shall be vested in a Board of Directors consisting of seven (7) Participating Members in good standing elected as hereinafter provided.

Section 2.) Quorum

A majority of the number of Directors as fixed by the By-Laws shall be necessary to constitute a quorum for the transaction of business. The action of a majority of the Directors at any meeting duly assembled while there is present a quorum shall be valid and binding as an act of the Club. A majority of Directors in the absence of a quorum may adjourn from time to time but may not transact any business.

Section 3.) Election of Directors

Directors shall be elected at the annual meeting of the Club for a two (2) year term. There shall be elected three (3) Directors on the even numbered years and four (4) Directors on the odd numbered years of the number of Directors necessary to fill all vacancies in the office of Directors.

Section 4.) Nomination for Board of Directors

At least six (6) weeks prior to the annual election, the Secretary shall notify all Participating Members that they may suggest to the Board of Directors the name or names of persons to be considered for nomination as Director. Nominees must be Participating Members in good standing and they must consent to the nomination and agree to serve if elected. Nominees must include at least the number necessary to fill all vacancies in the office of Director. Nominations will not be accepted subsequent to the printing of the ballot.

Section 5.) Balloting

Voting shall be by ballot prepared by the Board of Directors, each ballot shall contain the names of the persons nominated listed alphabetically. Ballots will be mailed to all Participating Members in good standing at least ten (10) days prior to the date of the annual meeting. Voting may be in person at the annual meeting or by mail if the executed ballot is received by the Board of Directors on or prior to the day of the annual meeting.

Section 6.) Judges of Election

The Board of Directors shall appoint three (3) judges of election. The judges of election shall count the votes and report to the President in writing the names of Directors elected and the number of votes cast for each candidate. A plurality of votes shall elect. In case of a tie, if all the candidates cannot be elected, the decision as between those candidates who are tied shall be made by the judges of election by lot. The names of those elected as Directors shall be published and mailed to the members.

Section 7.) Removal of Directors

Any Director may be removed from office at any time by an affirmative vote of four (4) Directors or an affirmative vote of a majority of the Participating Members in good standing. The Board will cause such a vote to be made upon the written request of ten percent (10%) of the Participating Members in good standing.

Section 8.) Vacancies

Every Director, unless his office is sooner vacated, shall serve until his successor is elected and qualifies. Should a vacancy occur in the Board of Directors by resignation, removal or otherwise, a majority of the remaining Directors, even though less than a quorum, shall select a Director to fill the vacancy, who shall serve the remainder of the vacated term and until his successor qualifies.

Section 9.) Meetings of the Board of Directors

The Board of Directors shall hold regular meetings at such places and times as may be designated by the President. Notice of the regular meetings of the Board shall be given at least one (1) week prior to the date of the meeting. Special meetings of the Board shall be called by the Secretary on the order of the President or upon the request of two (2) of the Directors at any time or times designated by him or by them, as the case may be. Notice of special meetings shall be given by mail or telephone or telegraph or orally at least one (1) day prior to the meeting. Notice of special meetings shall state the purpose of such meeting. A recitation in the minutes of any subsequent regular meeting of the Board of Directors that the Directors were given notice of such special meeting in compliance with the foregoing shall be conclusive if such minutes are read and approved at such subsequent regular meetings. Any Director may waive any notice required by these By-Laws.

Section 10.) Adjourned Meetings

Any business which may be transacted at a regular meeting of the Board of Directors may be transacted at any special meeting or any adjourned meeting. If no quorum be present at any special meeting of the Board, such meeting may be adjourned from time to time and from day to day, until the time fixed for the next regular meeting of the Board, and such adjournment and the reasons therefor shall be recorded in the minute book of the corporation. No notice need be given of such adjourned meeting.

Section 11.) Powers and Duties

The Board of Directors shall have the following powers and duties in addition to those specified elsewhere in these By-Laws:

- a. To adopt rules of conduct for the Members of the Club, their families and guests, and for the admission of visitors and guests of the Club and for the use of the Club and the facilities thereof.
- b. To publish and disseminate at the annual meeting all policies then in effect. Subsequent changes to policies will be immediately disseminated to the membership.
- c. To provide, enforce or remit penalties for any violation of these By-Laws or the rules of the Club, including the power to reprimand, suspend or expel any Member of the Club for such violations and for other causes. Without limiting the generality of the foregoing, the following shall be grounds for reprimand, suspension, expulsion or the imposition of penalties: misrepresentation in the application for membership, breach of agreement with the Club and conduct which is ungentlemanly or unbecoming of a Member or unfavorable to the welfare, interest or character of the Club. Where the offense is of such nature as to admit of an apology or reparation, the Board of Directors shall have the power to require the offender to apologize or make reparation and may fix a time within which it shall be done; and failure so to do within such time shall be grounds for suspension or expulsion as the Board of Directors may deem proper. Upon notice of violation, a member shall be granted a hearing by The Board upon written request sent within fifteen (15) days of the notice. Such hearing shall be in accordance with rules and regulations prescribed by the Board. Failure to request the hearing within the time limit or failing to appear for the hearing when established shall constitute a waiver of the right of hearing.

- d. To appoint and remove at the pleasure of the board all officers, agents and employees of the club, including a General Manager, prescribe their duties subject to these By-Laws, fix their compensation, and require faithful performance from them.
- e. To decide all questions concerning the construction of the By-Laws and rules of the Club.
- f. To create and prescribe the duties of such committees as are deemed necessary and after nomination of committee members by the President to confirm or reject the same; to delegate authority to any committee and to amend, suspend or revoke such authority from time to time.
- g. To borrow money and incur indebtedness for the purposes of the Club and to cause evidences of such indebtedness and evidence of security therefor to be executed in the corporate name, provided that a simple majority of Participating Members in good standing, present at a regular or special meeting, vote to borrow money and incur said indebtedness for the purposes of the Club.
- h. To adopt rules and regulations concerning the sale and transfer of memberships not inconsistent with the provisions of these By-Laws.
- i. To purchase any membership with the funds and for the benefit of the Club.
- j. To fix fees for the admission of new Members to the Club and fees for transfer of memberships, to provide for the payment of such fees in installments, and to increase or decrease such fees for any class of membership.
- k. To extend the privileges of the Club, temporarily to non-members under such conditions and for such period as the Board may determine.
- l. To determine who shall be authorized on behalf of the Club to sign checks, notes, deeds, leases, contracts and other documents; to do all things necessary to conduct, manage and control the affairs and business of the Club; to make rules and regulations therefor and to do and perform every act and thing whatsoever that may pertain to the office of Director consistent with these By-Laws and the laws of the State of California.
- m. To make expenditures for new capital assets not to exceed five hundred dollars (\$500) within the period between annual general meetings. Expenditures for amounts in excess of this limit will require the vote of a majority of Participating Members in good standing present at any regular or special meeting. Expenditures of repair or replacement of existing equipment or facilities shall not be included in the above limitation.

- n. To designate any place within the City of Thousand Oaks, Ventura County, State of California for the holding of any meeting of Participating members whether such meeting be an annual meeting or a special meeting.

Section 12.) Reimbursements

Directors shall be entitled to reimbursement for expenses authorized by the Board but shall receive no salary or other compensation for acting as Director.

Article IV

MEETINGS OF THE MEMBERS

Section 1.) Annual Meeting

The Annual Meeting of the Participating Members of the Club in good standing shall be held either at the Club House or any other place within the City of Thousand Oaks, Ventura County, State of California which may be designated by the Board of Directors. Said annual meeting shall be held on the first Monday of the month of February in each year at 8:00 o'clock p.m. At least ten (10) days written notice of the annual meeting shall be mailed to such Members by the secretary of the Club. Whenever the day on which such annual meeting of the members is schedule to be held is a legal holiday, such annual meeting shall be held on the first business day next succeeding at the same hour.

Section 2.) Special Meeting of Members

Special meetings of the Participating Members of the Club in good standing may be called by the President, and shall be called by the President within thirty (30) days after written request is made; therefor, by two (2) members of the Board of Directors or ten (10) Participating members in good standing. Such written request shall specify the purpose or purposes of the meetings. The Secretary shall mail written notices of such special meetings, specifying the purpose or purposes of the meeting, to the Participating members in good standing at least ten (10) days prior to the date thereof. The business of the special meeting shall be limited to such purpose or purposes. Special meetings shall convene on the time and date designated.

Section 3.) Quorums

A quorum shall consist of those Participating Members, in good standing, present at any annual, regular or special meeting.

Section 4.) Business of Annual Meeting

At the annual meeting, the President shall report on the general business of the Club and the Secretary and Treasurer shall each report on his acts and the matters under his supervision. The order of business shall be determined by the President.

Section 5). Resolutions

Should any Member of the Club desire to present any resolution at the annual meeting, such resolution shall be presented in writing to the Secretary at least fourteen (14) days prior to such meeting. Any such resolution shall be in such form as to permit an affirmative or negative vote thereon and for voting by mail may not be amended. The Secretary of the Club shall mail to each Participating member of the club in good standing not less than ten (10) days prior to the date of any annual meeting a copy of such resolution presented by any member of the club.

Section 6.) Balloting by Mail

The board of Directors may direct that the Participating Members shall ballot by mail upon any resolution or amendment to the By-Laws. In any such case, the Secretary of the Club shall cause the ballot to be mailed to each Participating Member of the Club in good standing at least ten (10) days before the meeting. Such ballot shall be counted if signed by the Member and received by the Board of Directors at or prior to the meeting.

Section 7.) Adjournment

If all the business of any meeting of the Members of the Club is not completed at the meeting, the President shall adjourn the meeting for not less than seven (7) days and to such date as a majority of those present at the meeting may decide. Notice of any document shall be mailed to the Participating Members of the Club in good standing at least five (5) days before the designated date.

Article V

Officers

Section 1.) Officers

The officers of the Club shall be a President, a Vice President, a Secretary, a Treasurer, an Administrator –Swimming Pool, an Administrator-Grounds, and an Administrator-Physical Facilities, each of whom must be a Director, one or more Assistant Secretaries who need not be Directors, and such other officers as the Board of Directors may deem necessary.

Section 2.) Selection and Term

The officers shall be selected by the Board of Directors at its first meeting following each annual meeting of the Members of the Club. Officers so selected shall hold office for one (1) year and until their successors are elected and qualify.

Should any office become vacant, other than the Presidency, the Board shall select a successor to such office for its unexpired term. Should any officer be unable to fulfill the duties of his office temporarily, the Board shall have the power to appoint a substitute pro tem who shall have and exercise all the powers and duties of the office during his incumbency except that no substitute pro tem shall be appointed for the President as long as any Vice President is able to and does act as President.

Section 3.) President

The power and duties of the President shall be the following: To preside at all meetings of the Board of Directors and of the Members and to call such meetings as the By-Laws require him to call; to see that the By-Laws and resolutions and regulations of the Club are enforced; to supervise generally the affairs of the Club; to report at the annual meeting of Club its general business for the previous year; to nominate, subject to confirmation or rejection by the Board, Members of all committees; to act as an ex officio member of all committees; to execute jointly with a Vice President or a Secretary of the Club all membership certificates, contracts, evidences of indebtedness and other instruments in writing which have been approved by the Board of Directors and generally to perform the functions which pertain to the office of President. Any person who has held the office of President for two (2) consecutive terms of one (1) year or more shall not be eligible to serve as President during the next succeeding year.

Section 4.) Vice President

In the absence or inability of the President to act, or in the event of a vacancy in the office of President, the Vice President shall perform all duties and have all the powers of the President. The Vice President shall also have the power to sign jointly with the President or Secretary, certificates of membership, contracts, evidences of indebtedness and other instruments in writing which have been approved by the Board of Directors. The Vice President shall perform such other duties consistent with or pertaining to the office of Vice President as the Board of Directors shall require from time to time. In the event that the President and the Vice President are absent from any meeting of the Members of Directors, the Secretary shall call the meeting to order and a temporary chairman shall be chosen by

ballot from the Members present. Additionally, the VP is responsible for maintaining a wait list for membership and coordinating all transfer of membership sales.

Section 5.) Secretary

The duties of the Secretary shall be the following: to keep a record of all meetings of the Directors and of the Members of the Club; to conduct it's official correspondence; to sign jointly with the President or Vice President certificates of membership, contracts, evidence of indebtedness and other instruments in writing which have been approved by the Board of Directors, and to perform such other functions as the Board of Directors may prescribe or are required by these By-Laws and such other duties as are consistent with the office of Secretary or are required by the Board of Directors. The Secretary shall be an ex officio member of all standing committees.

Section 6.) Treasurer

The duties of the Treasurer shall be the following: to maintain books and accounts of the Club; to receive and deposit all moneys and other valuables of the Club in its name and to the credit of the Club in such depository or depositories as the Directors may designate; to disburse the funds of the Club as directed by the Board of Directors; to render to the President and the Board of Directors at each monthly meeting of the Directors and as often as they may require a statement of his accounts and transactions as Treasurer and a statement of the financial condition of the Club; to render a statement of accounts and of the financial condition of the Club at the annual meeting of the Club Members and in general to perform all duties incidental to the office of Treasurer, subject to the control of the Board of Directors.

Section 7.) Administrator-Swimming Pool (aka-Pool Director)

The duties of this officer shall be to manage all pool activities, to maintain the filter equipment, to maintain the pool and pool area in a clean condition, to hire and supervise the life guards, and to generally manage the swimming pool facilities.

Section 8.) Administrator-Grounds

The duties of this officer shall be to maintain all planting on the Club grounds, to provide for adequate drainage of the grounds, to maintain the sprinkler system and to generally maintain the Club grounds. Including but not limited to arranging for any tree trimming, weeding, mulching on the Club grounds.

Section 9.) Administrator-Physical Facilities (now combined with Grounds)

The duties of this officer shall be to maintain all buildings, to maintain all physical equipment including playground equipment, Club furniture, fences and tennis courts and to generally maintain the physical property of the Club.

Section 9A.) Administrator-Pool Parties

The duties of this officer shall be to book all parties held at the pool. To assist with securing a lifeguard for pool parties; update and secure signatures for any parties on the proper forms; maintain a calendar of parties on the web site and at the pool; to update the bulletin board within the pool area.

Section 10.) Compensation

No officer shall receive any salary or compensation for action as an officer of the Club, provided, however, that all officers shall be entitled to reimbursements for expenses authorized by the Board of Directors.

ARTICLE VI

AMENDMENTS TO BY-LAWS

Subject to the limitations set forth below, these By-Laws may be adopted amended, or repealed by a simple majority of Participating Members in good standing. Balloting may be by mail and/or at a Member's meeting duly called for this purpose according to these By-Laws. Neither the Board of Directors nor the Members shall have the power to levy assessments upon Special Members. Neither the Board of Directors nor the Members shall have the power to create any class of membership with property or liquidation rights superior to those of Participating Members without the vote or written consent of ninety percent (90%) of the Participating Members.

ARTICLE VII

CHANGE OF ADDRESS

All Members shall immediately notify The Secretary of any change of address. Failure to do so shall be deemed a waiver of the right to receive any notice provided by the By-Laws and rules of the Club.

ARTICLE VIII

INDEMNIFICATION OF BOARD MEMBERS

The Club shall indemnify each person who is or was a director or officer of the Club against any and all liability and reasonable expense that may be incurred by him/her in connection with or resulting from any action, claim, suit or proceeding, civil or criminal, in which he/she may become involved by reason of being or having been a director or officer of the club, or by the reason of any part or future action taken or not taken in his/her capacity as such director or officer, whether or not he/she continues to be such at the time such liability or expense is incurred, provided such director or officer acted in good faith, in what he/she reasonably believed to be in the best interest of the Club and provided further that such director or officer is not adjudged liable for negligence or misconduct in the performance of his/her duties in such action, suit or proceeding, and in connection with any criminal action or proceeding, provided he/she had no reasonable cause to believe that his/her conduct was unlawful. As set forth in this article, the term, "liability" and "expense" shall include, but shall not be limited to, counsel fees, proper expenses and distributions, the amounts of judgments, fines or penalties, and amounts paid in settlement by such director or officer of the Club. In the event a question arises as to whether or not such director or officer has met the standards of conduct hereinabove set forth in this Article, such question shall be conclusively determined be either (1) the Board of Directors acting as a quorum consist of directors who are not involved in such claim, action, suit or proceeding, or (2) by the written opinion of reputable disinterested legal counsel as selected by the Club. In any word, cause or provision of this Article shall, for any reason, be determined to be invalid, the provisions hereof shall not otherwise be affected thereby, but shall remain in full force and effect. The foregoing rights of indemnification shall not be exclusive or other rights to which any such director or officer may be entitled by contract or as a matter of law and shall inure to the benefit of heirs, legatees, and personal representatives of any such person.

SPECIAL POLICY (1986)

Subject: Delinquent Penalty and Club Acquisition of Delinquent Memberships.

Pursuant to the By-laws, Section 9, paragraph D, and Section 10, the CFCC board of Directors has established a delinquent penalty at the rate of 10% of the unpaid balance of a member's bill. Dues are due and payable every first day of every calendar quarter. (Jan. 1, April 1, July 1 and October 1) and become delinquent and subject to said penalty on the first day of the second month of each calendar quarter (February 1, May 1, August 1, November 1.)

It is the policy of the Club to include a written explanation of its intended action with each billing that includes a delinquent penalty.

At the time of two (2) calendar quarters of delinquency, the member will be notified that, not only will he/she be charged a 10% penalty, but that he/she is also suspended from use of the Club facilities, and at the discretion of the Board of Directors, the Club may require delinquent member to sell his/her membership back to the club. Should the total indebtedness eventually equal or exceed the equity value of the membership, the member will then be notified by registered mail that the board of Directors will, at their next meeting, or via E-mail, to take action to reacquire the membership in exchange for cancellation of the delinquent member's indebtedness. The delinquent member may retain his/her membership any time prior to this meeting by paying the total amount owed in full. If no attempt at payment is made, action taken by the Board becomes final.

In the event of such final action by the Board, the ex-member will be so notified again by registered mail.