

9/27/18

AMENDED AND RESTATED BYLAWS
OF
HIDDEN VALLEY COUNTRY CLUB

A Utah Nonprofit Corporation

September, 2018

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OF

HIDDEN VALLEY COUNTRY CLUB

ARTICLE 1. OFFICES

1.1 Principal Office. The principal office of Hidden Valley Country Club, a Utah corporation (the "Club"), shall be located at 11820 South Highland Drive in Sandy, Utah. The Club may have such other offices, either within or outside the State of Utah as the Board of Directors may designate or as the business of the Club may require from time to time.

1.2 Registered Office. The registered office of the Club required by the Utah Nonprofit Corporation and Co-operative Association Act (the "Act") shall be located within the State of Utah. The address of the registered office may be, but need not be, identical with the principal office, and may be changed from time to time as determined by the Board of Directors.

ARTICLE 2. PROPERTY

2.1 Club Property. The property of the Club shall consist of the facility located at 11820 South Highland Drive in Sandy, Utah, sometimes referred to as the "Club House" including, without limitation, a club house, maintenance facilities, a 27-hole golf course, a golf shop and all related assets, rights, properties and entitlements, whether tangible, intangible, real, personal or mixed, and such other facilities, assets, rights, properties and entitlements now or hereafter acquired in connection with or incidental to the purposes and objectives of the Club (collectively referred to as the "Club Property").

2.2 Disclaimer. The Club shall not under any circumstances, be responsible for property of members, visitors, guests or other persons brought on the premises of the Club for any purpose whatsoever.

2.3 Restricted Use. Club Property shall not be loaned or removed from the premises of the Club, or be put to any use other than that for which it was intended.

2.4 Member Responsibility. Members must pay for all breakage or damage to any property, whether on or off the Club Property, determined to have been caused by them, their family members or their guests.

2.5 No Property Rights. No member, Director, officer or any other person shall have or acquire any right, title, claim or interest in or to any Club Property, except as may be specifically provided in these Bylaws.

ARTICLE 3. MEMBERSHIP

3.1 Classifications. Members of the Club shall be classified as set forth in this Article 3. Each membership classification shall have only those rights and privileges pertaining to such

classification or as may otherwise be specifically provided in the Articles of Incorporation or these Bylaws.

3.2 Regular Equity Membership. Any person at least twenty-one (21) years of age shall be eligible to be a Regular Equity Member. A Regular Equity Member and spouse and the Regular Equity Member's single sons and daughters under twenty-five (25) years of age shall have all privileges afforded by the Club, subject to the provisions of these Bylaws and any rules or regulations of the Club adopted by the Board of Directors pursuant to Section 7.1 of these Bylaws (collectively referred to as the "Club Rules").

3.3 Temporary Regular Membership. A surviving spouse of a Regular Equity Member shall be eligible to be a Temporary Regular Member for a period of nine (9) months after the last day of the calendar month in which the death of the Regular Equity Member occurs. A Temporary Regular Member shall have all privileges afforded by the Club, subject to the provisions of these Bylaws and the Club Rules.

3.4 Social Membership. Any person at least twenty-one (21) years of age shall be eligible to be a Social Member. A Social Member and spouse and the Social Member's single sons and daughters under twenty-five (25) years of age shall have all privileges afforded by the Club except for use of the Club's golf course, subject to the provisions of these Bylaws and the Club Rules.

3.5 Temporary Social Membership. A surviving spouse of a Social Member shall be eligible to be a Temporary Social Member for a period of six (6) months after the last day of the calendar month in which the death of the Social Member occurs. A Temporary Social Member shall have all privileges afforded by the Club except for use of the Club's golf course, subject to the provisions of these Bylaws and the Club Rules.

3.6 Junior Membership. Any person between twenty-one (21) years of age and thirty-five (35) years of age (inclusive) whose father, mother, father-in-law or mother-in-law is or was (in the case of death) a Regular Equity Member shall be eligible to be a Junior Member. A Junior Member and spouse, and the Junior Member's single sons and daughters under twenty-five (25) years of age shall have all privileges afforded by the Club, subject to the provisions of these Bylaws and the Club Rules. If the Regular Equity Membership of the father, mother, father-in-law or mother-in-law of the Junior Member is terminated, the Junior Membership shall also be terminated at the same time. A Junior Member must request a change in his or her membership to another eligible class of membership within thirty (30) days after his or her thirty-sixty (36th) birthday pursuant to Section 3.12 hereof in order to receive credit with respect to any initiation fee paid as set forth in Section 5.2 hereof.

3.7 Honorary Membership. Any person approved by the affirmative vote of no less than six (6) members of the Board of Directors shall be eligible to be an Honorary Member for such period of time determined by the Board of Directors; provided, that all Honorary Memberships will be reviewed on an annual basis by the Board of Directors and will be continued only upon the affirmative vote of the Board of Directors. An Honorary Member and spouse shall not have use of the Club's golf course unless otherwise determined by the Board of Directors. Except for the foregoing, an Honorary Member and spouse shall have all privileges afforded by the Club.

Honorary Members and spouses shall be subject to all applicable provisions of these Bylaws and the Club Rules.

3.8 Lifetime Regular Membership. Any person at least seventy (70) years of age who was a Regular Equity Member as of October 1, 1991 and has been a Regular Equity Member for a continuous period of at least twenty-five (25) years shall be eligible to be a Lifetime Regular Member, provided the Regular Equity Member surrender to the Club for cancellation his or her Regular Equity Membership. A Lifetime Regular Member and spouse and the Lifetime Regular Member's single sons and daughters under twenty-five (25) years of age shall have all privileges afforded by the Club, subject to the provisions of these Bylaws and the Club Rules. A Lifetime Regular Member shall not be entitled to any payment or other compensation for surrender of his or her prior Regular Equity Membership. Upon the death of a Lifetime Regular Member, the surviving spouse may make written request to the Board of Directors that the Lifetime Regular Membership of the deceased member be transferred to the surviving spouse. Upon the approval of the Board of Directors (which approval shall be in the sole discretion of the Board), the Lifetime Regular Membership shall be transferred to the surviving spouse without the payment of any transfer fee. The surviving spouse shall then have all privileges afforded by the Club to a Lifetime Regular Member during his or her lifetime. Upon the death of the surviving spouse, the Lifetime Regular Membership of such spouse shall terminate and shall not be transferable to any other person.

3.9 Lifetime Social Membership. Any person at least seventy (70) years of age who was a Regular Social Member as of October 1, 1991 and has been a Social Member for a continuous period of at least twenty-five (25) years shall be eligible to be a Lifetime Social Member, provided the Social Member surrender to the Club for cancellation his or her Social Membership. A Lifetime Social Member and spouse and the Lifetime Social Member's single sons and daughters under twenty-five (25) years of age shall have all privileges afforded by the Club except use of the Club's golf course, subject to the provisions of these Bylaws and the Club Rules. A Lifetime Social Member shall not be entitled to any payment or other compensation for surrender of his or her prior Social Membership. Upon the death of a Lifetime Social Member, the surviving spouse may make written request to the Board of Directors that the Lifetime Social Membership of the deceased be transferred to such surviving spouse. Upon the approval of the Board of Directors (which approval shall be in the sole discretion of the Board), the Lifetime Social Membership shall be transferred to the surviving spouse without the payment of any transfer fee. The surviving spouse shall then have all privileges afforded by the Club to a Lifetime Social Member during his or her lifetime. Upon the death of the surviving spouse, the Lifetime Social Membership of such spouse shall terminate and shall not be transferable to any other person.

3.10 Other Memberships. The Board of Directors may determine that the Club shall honor membership privileges previously granted or sold to the Club notwithstanding the Club's subsequent discontinuance of membership classifications not enumerated in these Bylaws, provided that any member utilizing such membership privileges shall enjoy only such rights and privileges as are expressly recognized by the Board of Directors, consistent with any terms and conditions accompanying such membership privileges and subject to any applicable fees, dues, assessments, minimum patronage amounts and other obligations. Each member utilizing such membership privileges shall also be subject to all duties and responsibilities of members otherwise set forth in these Bylaws and the Club Rules.

3.11 Number of Membership. The maximum number of all Regular Equity Members allowed at any one time shall not exceed four hundred forty-six (446) members. The maximum number of all Social Members allowed at any one time shall not exceed one thousand three hundred and thirty-eight (1,338) members. The maximum number of members in each class of membership other than Regular Equity Membership and Social Membership allowed at any one time shall be determined and may be increased or decreased from time to time by the Board of Directors, subject to any applicable law.

3.12 Classification Changes. A change in membership classification must be requested by a member in writing and submitted to the Membership Committee at least thirty (30) days in advance of the desired effective date of such change; provided, however, no requested change to a Social Executive Membership by any member or former member of the Club shall be allowed, unless approved by the Board of Directors.

3.13 Transfer or Sale of Membership

i. General Provisions.

(1) Except as otherwise provided in these Bylaws, no membership in the Club, other than a Regular Equity Membership shall be transferable to any person or entity under any circumstances. No Regular Equity Membership may be transferred, purchased or sold except in compliance with this Section 3.13 and other applicable Sections of these Bylaws. All prospective buyers of a Regular Equity Membership must be approved by the Membership Committee and the Board of Directors prior to any purchase of such membership.

[(2) Pricing and Fees. The Board of Directors will review Regular Equity Membership sales at its discretion and establish the ‘List Price’ *that the club will publish as the sale price* for a membership. In addition, the Board of Directors from time to time may also establish a ‘Minimum Selling Price’ *(the minimum price when listing a membership for sale)*. A transfer fee for Regular Equity Memberships will also be established. The transfer fee shall be twenty-five percent (25%) of the List Price. A member may choose a price less than the List Price established by the Board of Directors; however, the price cannot be less than the Minimum Selling Price unless approved by the Board of Directors. The member may change the asking price at any time; however, any change of price after the first (1st) day of any month shall not be effective until the following month. The Board of Directors may from time to time establish a listing fee (an administrative fee) that will be charged to the member when he/she places the Membership for sale. The listing fee will be remitted to the member as part of the net amount due to the member when the membership is sold. The Club will maintain a confidential list of sellers of Regular Equity Memberships arranged in order of Sale price, and Listing date (the “Sales List”), with the sellers having the lowest sales price listed first, followed by list date.]

(3) A Regular Equity Member desiring to sell his/her membership must send a written notice to the General Manager of the Club stating an intention to sell his/her membership and the minimum price at which he/she is offering his/her membership for sale. Such minimum price must include any transfer or other fees to be received by the Club in connection with the sale of the membership.

(4) Except as described in clause (5) below, a Regular Equity Member desiring to sell his/her Regular Equity Membership may not offer his/her membership for sale by any means other than written notice to the Club as described above including, without limitation, by advertising in any newspaper, on the Internet or any other medium, whether written, electronic or otherwise. Any offering by a Regular Equity Member of an Equity Membership for sale by any such other medium will be deemed a violation of Club rules and shall constitute cause for the Board to take disciplinary action with respect to such Regular Equity Member pursuant to Section 4.2 of these Bylaws.

(5) A Regular Equity Member may offer his/her membership for sale to a specific person (not by means of a general advertisement). In the event a potential seller and buyer of a Regular Equity Membership agree on the purchase and sale of such membership, they may jointly send a written notice to the General Manager of the Club specifying the name of the seller, the name of the proposed buyer and the proposed sale price of the membership, which must include any applicable transfer fee. Any proposed private sale price is subject to the provisions outlined in Section 3.13i(1) of these Bylaws. The proposed buyer of the Regular Equity Membership shall submit an application (including any required application fees) to the Club for admission as a Regular Equity Member. In the event of a private sale as allowed herein, the seller of the Regular Equity Membership cannot propose the buyer on the application. Upon the approval of such application by the Membership Committee and the Board of Directors, the buyer and seller will be promptly informed of the approval of the sale and the provisions set forth in clauses i(6) and i(7) below will apply to the sale.

(6) Applications to purchase Regular Equity Memberships offered for sale pursuant to this Section 3.13 will be considered in the order that all required fees, deposits, and other payments are received by the Club from such applicant. Completed applications will be tentatively matched with the lowest price on the sales list, or if there is more than one offer at that price, the first listing date of the Sale List (oldest by date of notice, first in, first out) at that price. No such Regular Equity Membership shall be approved for sale, however, until the application of the buyer is finally approved by the Membership Committee and the Board of Directors. The Club will notify the potential buyer and seller of a Regular Equity Membership of the approval of the sale of the membership at such time as the buyer's application is approved by the Membership Committee and the Board of Directors.

(7) The balance of the purchase price after deducting the deposit of each approved Regular Equity Membership must be remitted by the buyer to the Club business office within seven (7) calendar days following final approval of the buyer's application by the Membership Committee and the Board of Directors. If the balance due is not received by the Club within such seven (7) calendar day period, the Regular Equity Membership offered for sale shall be deemed to have failed and the membership shall be returned to the Sales List as described in subparagraph 3.13.i(2) above. The net amount due to the seller of the Regular Equity Membership shall be remitted by the Club to such seller by the twenty-fifth (25th) of the month following the month during which such sale took place. The net amount due to such seller will be the amount received by the Club from the buyer of such membership minus any applicable transfer fees, unpaid charges or any other amounts due to the Club in connection with such seller's Regular Equity Membership.

(8) The seller of a Regular Equity Membership will have full privileges of such membership through the last day of the month in which the Regular Equity Membership has been sold, unless the seller is not current in the payment of monthly dues to the Club. The buyer of a Regular Equity Membership will have full privileges of such membership beginning on the day following the day on which the full purchase price for such Regular Equity Membership has been received by the Club.

ii. Transfers to Family Members. A Regular Equity Member may transfer his or her membership to a spouse only upon making written request to the Board of Directors. Upon the approval of the Board of Directors (which approval shall be in the sole discretion of the Board), the Regular Equity Membership shall be transferred to the spouse without the payment of any transfer fee. In the event a Regular Equity Member dies, the Regular Equity Membership of the deceased member may be transferred to the surviving spouse only upon the written request of the surviving spouse to the Board of Directors. Upon the approval of the Board of Directors (which approval shall be in the sole discretion of the Board of Directors), the Regular Equity Membership shall be transferred to the surviving spouse without the payment of any transfer fee. A regular Equity Member may transfer his or her membership to a child of such member only upon making written request to the Board of Directors. The child of such member shall complete an application and other forms required of new members and submit them to the Club in the same manner as any prospective member. Upon the approval of the Board of Directors (which approval shall be at the sole discretion of the Board of Directors), the Regular Membership shall be transferred to the child of the member upon payment of a \$1,000 fee.

iii. Purchase of Memberships by the Club. The Club will have the right to purchase any Regular Equity Membership offered for sale upon the approval of such purchase by the Board of Directors. The amount the seller shall be paid shall be determined as described in clause 3.13.i(6) above. The Club will be under no obligation to purchase any such membership from any entity or person.

iv. Death or Divorce of a Member. The certificate of membership in the Club shall, for all purposes, be considered personal property and shall pass in accordance with the statutes of the State of Utah relating to personal property. Upon the death of a member, the rights and obligations of such membership shall continue and performance of the obligations required of a deceased member shall be the duty and the responsibility of the administrator or heir of the estate of the deceased member. Such rights shall be those as are determined by the laws of the State of Utah. Until otherwise determined, the widow/widower of an Equity Member shall have the same privileges as previously held by the deceased member. Until a decree of divorce or a temporary order relating specifically to the membership is entered, a married Equity Member may not designate another person other than his/her spouse as a designee. An Equity Member shall provide the Club management with a copy of the decree of divorce or any temporary order affecting the right of their spouse to use the membership within thirty (30) days of its entry. An Equity Member may advise the General Manager in writing that their spouse shall not be entitled to use the Club facilities in situations where the spouse is not residing with the Equity Member.

3.14 Membership Nominations. Nomination forms for each class of membership may be obtained from the administrative office of the Club House. All nomination forms must be completed by the prospective member, accompanied by a recent photograph and a check or cash in the amount of the applicable initiation fee and any required dues. The General Manager shall be

responsible for reviewing the accuracy and completeness of all nomination forms and, after such review, shall forward the forms to the Membership Committee. The Membership Committee shall prepare a recommendation with respect to each prospective member and shall submit such recommendation, together with each nomination form, to the Board of Directors. The name of each prospective member shall be posted in the Club House at least fourteen (14) days prior to consideration by the Board of Directors. All proceedings of the Membership Committee and the Board of Directors shall be secret and confidential. The negative vote of two (2) or more Directors at any regular or Special Meeting of the Board of Directors shall preclude the acceptance of any prospective member.

3.15 Member Input. Each member of the Club possessed of any information concerning the character of a prospective member, or knowing of any good reason why membership should not be granted to such prospective member, is encouraged to communicate the same to the Membership Committee. All such communications shall be held by the Membership Committee in strictest confidence.

3.16 Right to Appoint Designee. Any Regular Equity Member may request approval by the Board of Directors to lease to or appoint an individual (a Designee) to temporarily hold such member's membership in the Club during the period of such member's proposed absence from the Club for a period of time longer than one (1) year but not to exceed three (3) years for reasons of hardship including but not limited to financial, relocation, illness or injury as requested by the member. Each instance is subject to the discretionary approval of the Board of Directors pursuant to the approval process described in Section 3.16 hereof. This period of time may be extended or shortened upon written request to and discretionary approval by the Board of Directors. If the appointment of the Designee is approved by the Board of Directors, such Designee and such Regular Equity Member shall be jointly and severally responsible for the payment of all applicable fees, dues, charges, minimum patronage amounts and other obligations (excluding Assessments, which shall continue to be the responsibility of the member) arising from or chargeable to the subject membership during the period such Designee holds the membership. During such period, the Designee shall be subject to all applicable provisions of these Bylaws and the Club Rules and shall have the sole right to exercise all of the rights and privileges associated with the membership (other than voting rights, which shall remain with the Regular Equity Member). The Designee is responsible to pay all monthly dues/fees upon receipt of the monthly statement. The Designee will be delinquent as of the last day of the month in which the statement was mailed. The first day of the month following the month the statement was mailed, the designee will be delinquent and suspended from all Club privileges for 30 days or until delinquent payments are made. If the Designee has not paid all dues/fees within 14 days the Designee will be terminated and all delinquent dues/fees will be due by the Regular Equity Member as stated in 3.16 and 5.5 Penalties. If the Designee becomes delinquent for a second time in a calendar year, the designee will be terminated and all delinquent dues/fees will be due by the Regular Equity Member as stated above. The Board of Directors may require the payment of one or more transfer fees, depending upon the original term or any extended terms, to effect the appointment of a temporary Designee. The appointment of the Designee shall automatically terminate upon the expiration of the original or extended period for which such Designee was appointed. An individual (Designee) may lease an Equity Membership from one (1) Equity Member for a period of time longer than one (1) year but not to exceed three (3) consecutive years. An individual who has previously been an Equity Designee for less than three (3) consecutive years can apply to lease again as long as the cumulative

duration of leasing an Equity Membership does not exceed three (3) years or leased from no more than two (2) different Equity Members. Each instance is subject to the approval of the Board of Directors pursuant to the approval process described in Section 3.16 hereof.

ARTICLE 4. RESIGNATION, SUSPENSION AND EXPULSION

4.1 Resignation. A member may resign by delivery of a written notice to the administrative office of the Club House at least thirty (30) days prior to the end of the calendar month when the resignation is to become effective. All of the resigning member's indebtedness to the Club shall become due and payable upon the effective date of the resignation.

4.2 Disciplinary Action. The Board of Directors shall have the power, in the exercise of its sole discretion, to suspend, expel, assess a fine, issue a reprimand or take any other disciplinary action with respect to any member for "cause" as defined below. In the event the Board of Directors receives a complaint that any member of the Club has engaged in conduct that constitutes, or may constitute, "cause" for disciplinary action, the following procedures shall apply:

i. the Board of Directors may direct any committee established pursuant to Section 7.13 to investigate the alleged conduct that resulted in the complaint and make a report to the Board of Directors on the results of the investigation and any recommendation of such committee for disciplinary action, if any;

ii. the Board of Directors may itself conduct an investigation of any alleged conduct and determine whether or not to take disciplinary action;

iii. upon receipt by the Board of Directors of the report of any committee investigating alleged conduct and recommending (or not recommending) disciplinary action, the Board of Directors may elect to accept such recommendation or take any other course it deems appropriate in the exercise of its discretion;

iv. any disciplinary action shall require the affirmative vote of no less than six (6) members of the Board of Directors;

v. any disciplinary action approved by the Board of Directors shall be effective as of the date determined by the Board of Directors; and

vi. within ten (10) days of the decision of the Board of Directors to suspend, expel or otherwise discipline any member pursuant to this Section 4.2, the Board of Directors shall provide to the affected member written notice of its decision, including a statement of the grounds for such action and a description of said member's right to a hearing as provided in Section 4.3 hereof. The term "cause" for purposes of this Section 4.2 shall mean any conduct inconsistent with or jeopardizing the order, welfare, safety, reputation or character of the Club or any violation of the provisions of these Bylaws or the Club Rules. A member may be suspended or expelled by the Board of Directors for non-payment of any indebtedness to the Club pursuant to the provisions of Section 5.5 hereof.

4.3 Hearing. Upon the written request of a member suspended, expelled or otherwise subject to disciplinary action pursuant to Section 4.2 hereof, the Board of Directors shall, within

ten (10) days after receipt of the request, convene a hearing to review the basis for the suspension, expulsion or other disciplinary action and to hear the position of the member affected. Notice in writing of such hearing must be delivered to such member or mailed to his or her last known address according to the records of the Club at least five (5) days before such hearing is scheduled. The Board of Directors may rescind any suspension, expulsion or other disciplinary action and reinstate the member, with or without conditions deemed appropriate by the Board of Directors. In the event the suspended, expelled or otherwise disciplined member shall fail to attend the hearing after notice or, within thirty (30) days of his or her receipt of the notice described in Section 4.2 hereof, fail to request in writing a hearing before the Board of Directors pursuant to this Section 4.3, that member shall forfeit his or her right to such a hearing and the Board of Directors shall have no obligation to hold any such hearing.

4.4 Continuation of Fees. During any period of suspension pursuant to Section 4.2 or Section 5.5 hereof, the suspended member shall continue to be responsible for all applicable fees, dues, assessments, minimum patronage amounts and other obligations but shall not be entitled to any Club privileges. If the Board of Directors decision to suspend or expel a member is subsequently overturned or rescinded by the Board of Directors, then a condition precedent of the member's reinstatement shall be the immediate payment of all indebtedness applicable to the period of suspension or temporary expulsion and otherwise due. Upon expulsion, all indebtedness of the member to the Club shall become immediately due and payable.

ARTICLE 5. FEES, ASSESSMENTS AND PENALTIES

5.1. Fees. Subject to the provisions of Section 5.3 hereof, the amount of all fees, dues, assessments, minimum patronage amounts and other obligations for each class of membership, and the amount of any capital expenditure by the Club, shall be determined and may be increased or decreased from time to time by the Board of Directors. The Board of Directors shall publish and make available to the members a list of all current fees, dues, assessments, minimum patronage amounts and other obligations.

5.2 Refunds and Credits. Except as provided in these Bylaws or as ordered by the Board of Directors, the Club shall not refund any portion of any fees, initiation or otherwise, dues, assessments, minimum patronage amounts or other obligations paid by any member. If a member desires to change membership classification in accordance with Section 3.13 hereof, all or a portion of any initiation fee paid by such member, as set forth in the Club Rules, may be applied as a credit up to the amount of any transfer fee required in connection with such change.

5.3 Exceptions and Assessments.

i. Prior Regular Equity Membership. A Lifetime Member shall be exempt from any fees, dues, assessments, minimum patronage amounts and other obligations ordinarily required of a Regular Equity Member. A Lifetime Regular Member shall pay for all goods and services received from the Club. A Temporary Regular Member shall, during the term of his or her Temporary Regular Membership, be exempt from any fees, dues, minimum patronage amounts and other obligations ordinarily required of a Regular Equity Member, but shall not be exempt from any assessment otherwise required of a Regular Equity Member.

ii. Prior Social Membership. A Temporary Social Member and a Lifetime Social Member shall be exempt from any fees, dues, assessments, minimum patronage amounts and other obligations ordinarily required of a Social Member. Each of these classes of membership shall pay for all goods and services received from the Club.

iii. Capital Expenditures. Unless presented to and approved by the vote of the Regular Equity Members (pursuant to the provisions of these Bylaws) beforehand, the Board of Directors shall not authorize or approve any capital expenditure that exceeds the funds then available in the asset maintenance fund described in Section 5.4 hereof or that would require assessments or increased dues by the Club, unless such expenditure is related to repair or replacement of Club Property such that the Club Property is maintained in substantially status quo condition.

iv. Indebtedness. Unless presented to and approved by the vote of the Regular Equity Members beforehand, the Board of Directors shall not authorize or approve any indebtedness by the Club (other than amounts incurred in the ordinary course of the Club's business), unless such indebtedness is related to repair or replacement of Club Property resulting from unforeseen catastrophic events, including, without limitation, fires, floods, earthquakes, riots, wars and acts of God.

v. Assessments. Assessments resulting from capital expenditures or indebtedness pursuant to Section 5.3(iii) or Section 5.3(iv) hereof shall not be levied with respect to any members of the Club other than Regular Equity Members.

5.4 Asset Maintenance Fund. The Board of Directors shall establish an asset maintenance fund in order to mitigate the need for unexpected assessments, increased dues and indebtedness by the Club. This fund shall be financed through the allocation to such fund of a minimum of fifteen percent (15%), but not to exceed twenty-five percent (25%), of the aggregate monthly dues paid by all Regular Equity Members, with the amount of such percentage to be determined by the Board of Directors. As provided in Section 5.3(iv) hereof, the Board of Directors may use any portion of the asset maintenance fund for capital expenditures without the prior presentation to or approval by the Regular Equity Members.

5.5 Penalties. The Club shall maintain one (1) month open account whereby all applicable fees, dues, assessments, minimum patronage amounts and other obligations reflected in a monthly statement shall be due and payable upon receipt of the statement. The account of each member remaining unpaid as of the last day of the month in which the monthly statement was sent shall be considered delinquent. A late payment charge of three percent (3%) will be assessed on the first month's delinquency, and a five percent (5%) per month penalty will be charged on all accounts unpaid after two (2) or more months. AFTER ONE (1) MONTH OF DELINQUENCY, THE MEMBER'S NAME AND AMOUNT PAST DUE MAY BE POSTED AT THE CLUB HOUSE AND SUCH MEMBER SHALL BE AUTOMATICALLY SUSPENDED UNTIL ALL SUCH INDEBTEDNESS IS PAID IN FULL. The General Manager shall cause a written notice to be sent by certified mail, return receipt requested, to any member whose membership has been suspended pursuant to this Section 5.5. The notice shall be mailed to the member's last address carried in the records of the Club. In the event such indebtedness shall remain unpaid thirty (30) days after the notice has been mailed, the Board of Directors shall forfeit the membership of the delinquent member by giving him or her notice of such forfeiture by certified mail, return receipt requested.

Members shall pay all indebtedness due to the Club and shall pay all collection costs incurred, including reasonable attorney's fees, whether or not legal action is commenced. Any member whose membership has been forfeited pursuant to this Section 5.5 may apply in writing to the Board of Directors for reinstatement within ten (10) days of forfeiture, provided that all delinquencies and indebtedness of every kind be paid in full before said request for reinstatement will be considered by the Board of Directors.

5.6 Fire and Other Events. If any of the facilities included in the Club Property are unavailable for membership use due to fire, casualty or other similar occurrence beyond the Club's control, each member will continue to be liable for the payment of all otherwise applicable fees, dues, assessments, minimum patronage amounts and other obligations.

ARTICLE 6. REGULAR EQUITY MEMBERS

6.1 Annual Regular Equity Member Meeting. The Board of Directors will vote at the January Board meeting, to set the time and place within the Salt Lake County, for the Annual Meeting of the Equity Members. The meeting will be held and shall be conducted on a Tuesday in March of that year.

6.2 Special Regular Equity Member Meetings. Special Meetings of the Regular Equity Members may be called, for any purposes described in the notice of the meeting, by the President, or by the Board of Directors, and shall be called by the President upon the written request of at least fifty (50) Regular Equity Members which sets forth the information required in 6.3 for a member requested business at an Annual Meeting.

6.3 Business to be Conducted at Meetings. At any Annual or Special Regular Equity Members Meeting, the only business that will be conducted is business that shall have been brought before the meeting (a) by or at the direction of the Board of Directors or (b) by any Regular Equity Member of the Club who is entitled to vote at such meeting and who complies with the following notice procedures.

For any business to be properly brought before an Annual Meeting by a Regular Equity Member the member must have given timely written notice thereof in writing to the Manager of the Club at the business office of the Club. To be timely, a member's notice shall be delivered to or mailed and received at the office of the Club forty-five (45) days prior to the Annual Meeting. The written notice shall set forth as to each matter the member proposes to bring before the meeting:

- (a) a detailed description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting; and
- (b) the name and address of the member proposing such business.

Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at the meeting except in accordance with the provisions of this section. The Chair of the meeting shall, if the facts warrant, determine and declare to the meeting that proposed business was not properly brought before the meeting in accordance with the Bylaws, as such shall not be considered or transacted.

6.4 Place of Regular Equity Member Meeting. The President, the Board of Directors or the Regular Equity Members authorized by these Bylaws to request a meeting, as the case may be, may designate any place, within Salt Lake County, State of Utah, as the place for any Special Meeting of the Regular Equity Members called by such person or group. If no designation is made regarding the place of the meeting, the meeting shall be held at the principal office of the Club.

6.5 Notice of Regular Equity Member Meeting.

i. Required Notice. Whenever Regular Equity Members are required or permitted to take any action at a meeting, a notice of the meeting shall be given by mail, email or other electronic means at the discretion of the Board of Directors that shall state the place, date and hour of the meeting and, in the case of a Special Meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by the Articles of Incorporation or these Bylaws, the written notice of the Annual Meeting shall be given not less than sixty (60) nor more than seventy (70) days before the date of the Annual Meeting to each Regular Equity Member entitled to vote at such meeting. Notice of a Special Meeting shall be not less than fifteen (15) days nor more than thirty (30) days before the date of the Special Meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the Regular Equity Member at his or her address as it appears on the records of the Club, or if posted on the Club website, the date of posting. If emailed, notice shall be deemed to have been given on the date the email is sent.

ii. Adjourned Meeting. If any Regular Equity Member meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place, if the new date, time, or place is announced at the meeting before adjournment. However, if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date for the adjourned meeting is or must be fixed (see Section 6.5 of these Bylaws), then notice must be given pursuant to the requirements of paragraph (i) of this Section 6.4 to Regular Equity Members of record who are entitled to vote at the meeting.

iii. Waiver of Notice. Any Regular Equity Member may waive notice of a meeting (or any notice required by the Act, the Club's Articles of Incorporation, or these Bylaws), by a writing signed by the Regular Equity Member, which is delivered to the Club (either before or after the date and time stated in the notice as the date or time when any action will occur or has occurred) for inclusion in the minutes or filing with the Club's records. A Regular Equity Member's attendance at a meeting:

(1) waives objection to lack of notice or defective notice of the meeting, unless the Regular Equity Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and

(2) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Regular Equity Member objects to considering the matter when it is presented.

iv. Contents of Notice. Notice of any Special Meeting of the Regular Equity Members shall include a description of the purpose or purposes for which the meeting is called. Except as provided in this Section 6.4(iv), in the Articles of Incorporation, or in the Act, notice

of an Annual Meeting of the Regular Equity Members need not include a description of the purpose or purposes for which the meeting is called.

6.6 Regular Equity Member List. The Secretary shall make a complete record of the Regular Equity Members entitled to vote at each meeting of Regular Equity Members, arranged in alphabetical order. The Regular Equity Member list must be available for inspection by any Regular Equity Member at the Club's principal office or at a place identified in the notice of the meeting in the city where the meeting is to be held. A Regular Equity Member, his agent, or attorney is entitled on written demand to inspect and receive a copy of the list at any time during regular business hours. The Club shall maintain the Regular Equity Member list in written form or in another form capable of conversion into written form within a reasonable time. Any Regular Equity Member requesting a copy of such list shall agree in writing to not use the list for any purpose (commercial, charitable or otherwise) not directly related to the business of the Club and to pay the Club any reasonable expense incurred by the Club in providing such copy.

6.7 Regular Equity Member Quorum and Voting Requirements.

i. Quorum. Unless the Articles of Incorporation, a Bylaw adopted by the Regular Equity Members pursuant to the Act, or the Act provides otherwise, fifty (50) Regular Equity Members in attendance, in person or by proxy, at an Annual or Special Meeting constitutes a quorum for the taking of action by the Regular Equity Members.

ii. Approval of Actions. If a quorum exists, action on a matter (other than the election of Directors) is approved by the Regular Equity Members if a majority of the votes cast by the Regular Equity Members favor the action, unless the Articles of Incorporation, these Bylaws or the Act requires a greater number of affirmative votes.

iii. Effect of Representation. Once a Regular Equity Member is represented for any purpose at a meeting, including the purpose of determining that a quorum exists, he or she is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting, unless a new record date is or must be set for that adjourned meeting.

iv. Ballots, Notice and Voting.

(1) Official ballots for election of Directors which are completed and returned to the office of the Club in such manner as may be specified in instructions distributed with the ballots will be accepted if they are received no later than the day before the election.

(2) Whenever the Board of Directors shall decide that an issue is of such importance that it should be submitted to a vote of the Members, the Board shall distribute the ballot and canvass the vote in the same manner as for the annual election of Directors. A majority vote of all ballots shall decide the question.

(3) Whenever the Board or the Club is required to distribute a ballot, notification or other document, instrument or communication to the membership or notify the membership of any matter or action, such distribution or notification may be by mail, email, or other electronic means at the discretion of the Board addressed to that member. It is each member's responsibility to ensure that the email address on file with the Club is accurate and

that the Club's then current domain is whitelisted and approved for receipt of electronic transmission from the Club.

(4) In the case of any communication by members to the Club that, under these Bylaws, constitutes a vote by the membership, the Board shall authorize a means of email or other electronic voting only if the Board is satisfied that such means includes functionality designed to prevent duplicate and unauthorized balloting. Furthermore, in the case of any communication by members to the Club that, under these Bylaws is to be by secret ballot, the Board shall authorize a means of email or other electronic voting only if the Board is satisfied that such means affords members either the ability to submit such ballots anonymously or the ability to submit them to a third party designated and deemed trustworthy by the Board, which third party will tabulate the results and report them to the Board (without disclosing the votes of individual members), who in turn will combine such votes with those received through the US Mail, or delivery in person.

6.8 Proxies. At an Annual or Special Meeting, a Regular Equity Member may vote in person or by a proxy executed in any lawful manner. Such proxy shall be filed with the Club one business day prior to the meeting. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

6.9 Voting Rights. No member of the Club, other than a Regular Equity Member, shall be entitled to any voting rights. Each Regular Equity Member shall be entitled to one vote on each matter submitted to a vote of the membership of the Club, provided the Regular Equity Member is current in all applicable fees, dues, assessments, minimum patronage amounts and other obligations with respect to the Club.

6.10 Voting for Directors. Unless otherwise provided in the Articles of Incorporation or the Act, Directors are elected by a plurality of the votes cast by the Regular Equity Members pursuant to the procedures described in Section 7.17.

6.11 Informal Action by Regular Equity Members.

i. Written Consent. Unless otherwise provided in the Articles of Incorporation, any action which may be taken at any Annual or Special Meeting of Regular Equity Members may be taken without a meeting and without prior notice if one or more consents in writing, setting forth the action so taken, are signed by all the Regular Equity Members entitled to vote with respect to the subject matter thereof.

ii. Effect of Action Without a Meeting. Action taken under this Section 6.11 has the same effect as action taken at a meeting of Regular Equity Members and may be so described in any document.

6.12 Holding Office. No member of the Club, other than a Regular Equity Member, shall be entitled to hold the office of a Director of the Club.

ARTICLE 7. BOARD OF DIRECTORS

7.1 General Powers. All the business and affairs of the Club shall be managed under the direction of the Board of Directors, subject to any limitation set forth in the Articles of Incorporation. The Board of Directors may adopt such rules and regulations for the conduct of its meetings and the general management and affairs of the Club in any manner not inconsistent with these Bylaws.

7.2 Number, Tenure, and Qualifications of Directors.

i. Number. The number of Directors of the Club shall be nine (9), which shall include the four (4) officers of the Club designated in Section 8.1.

ii. Tenure. Each Director elected by the Regular Equity Members will serve for a term of three (3) years; provided that a Director elected by the Regular Equity Members pursuant to Section 7.11 to serve for the unexpired remaining term of a vacant directorship shall serve for such shorter period of time. However, if a Director's term expires, the Director shall continue to serve until the Director's successor shall have been elected and qualified. Each Director appointed by the Board of Directors to fill a vacancy will serve the remainder of the term of the Director whose removal or resignation created such vacancy.

iii. Qualifications. All Directors must be Regular Equity Members in good standing. No Director who has served a three (3) year term shall be eligible for re-election or appointment as a Director until after the expiration of one (1) year from the termination of his or her previous three (3) year term.

7.3 Regular Meetings of the Board of Directors. Regular meetings of the Board of Directors shall be held at least once each calendar month. At each such regular monthly meeting, the Board of Directors shall designate the date, time and location of the regular monthly meeting of the Board of Directors for the following month. Such regular monthly meetings of the Board of Directors shall be held without any other notice than as provided in the foregoing sentence.

7.4 Special Meetings of the Board of Directors. Special Meetings of the Board of Directors may be called by or at the direction of the President, the Vice President or a majority of the Directors in office. Written or verbal notice of the date, time and location of the Special Meeting shall be given at least twenty-four (24) hours prior to the time of the Special Meeting.

7.5 Effect of Attendance. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business and at the beginning of the meeting, or promptly upon arrival, the Director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice, and does not thereafter vote for or assent to action taken at the meeting.

7.6 Quorum of Directors. Five (5) Directors in attendance shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

7.7 Manner of Acting.

i. Action by Majority. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present is the act of the Board of Directors.

ii. Telephonic Meetings. Unless the Articles of Incorporation provide otherwise, any or all Directors may participate in a regular or Special Meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

iii. Effect of Presence at Meeting. A Director who is present at a meeting of the Board of Directors when corporate action is taken is considered to have assented to the action taken, unless:

(1) the Director objects at the beginning of the meeting, or promptly upon arrival, to holding it or transacting business at the meeting;

(2) the Director contemporaneously requests his dissent or abstention as to any specific action to be entered into the minutes of the meeting; or

(3) the Director causes written notice of a dissent or abstention as to any specific action to be received by the presiding officer of the meeting before its adjournment or by the Club promptly after adjournment of the meeting.

iv. Right of Dissent Not Available. The right of dissent or abstention as to a specific action is not available to a Director who votes in favor of the action taken.

7.8 Director Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if all the Directors consent to the action in writing. Action is taken by consents at the time the last Director signs a writing describing the action taken, unless, prior to that time, any Director has revoked a consent by a writing signed by the Director and received by the Secretary. Action taken by written consent is effective when the last Director signs the consent, unless the Board of Directors establishes a different effective date. Action taken by written consent has the same effect as action taken at a meeting of Directors and may be described as such in any document.

7.9 Resignation of Directors. A Director may resign at any time by giving a written notice of resignation to the Club. A resignation of a Director is effective when the notice is received by the Club unless the notice specifies a later effective date.

7.10 Removal of Directors.

i. The Regular Equity Members may remove one or more Directors at a Special Meeting of the Regular Equity Members called for that purpose if notice has been given that a purpose of the meeting is such removal. The removal may be with or without cause. A Director may be removed only if the number of votes cast to remove the Director exceeds the number of votes cast not to remove the Director.

ii. Notwithstanding the foregoing, if any Director is absent from three (3) consecutive Board of Director meetings, the Board of Directors may remove him or her and declare a vacancy.

7.11 Vacancies on the Board of Directors.

i. Vacancies. Unless the Articles of Incorporation provide otherwise, if a vacancy occurs on the Board of Directors, the Board of Directors shall fill such vacancy by appointment.

ii. Election of Director Prior to Vacancy. A vacancy that will occur at a specific later date, because of a resignation effective at a later date, may be filled before the vacancy occurs, but the new Director may not take office until the vacancy occurs.

iii. Effect of Expiration of Term. If a Director's term expires, the Director shall continue to serve until the Director's successor is elected and qualified or until there is a decrease in the number of Directors. The term of a Director appointed to fill a vacancy expires at the time of the next annual election of Directors at which time any vacancy for which an unexpired term remains shall be filled by election.

7.12 Director Compensation. No Director shall receive any remuneration for his or her services as a Director.

7.13 Director Committees.

i. Creation of Committees. The Board of Directors shall authorize a Future Planning Committee, Membership Committee, Nominating Committee and may authorize other committees of the Club as may be helpful in the transaction of the business of the Club. The President, with the approval of the Board of Directors, shall designate from among the directors, chairmen for the various committees authorized by the Board of Directors. The committee chairman shall appoint the committee members subject to approval by the Board of Directors. If the Board of Directors authorizes an Executive Committee, its membership shall be appointed by the President from Directors and the appointments shall be approved by the Board of Directors.

ii. Future Planning Committee. The Future Planning Committee shall be a continuing committee to consider and study long-range needs of the Club and shall be required to make a monthly report and recommendation to the Board of Directors. The committee shall consist of five (5) Regular Equity Members to be designated as follows:

- (1) the Board President shall appoint a current Director to serve as Committee Chair. The Board President shall also serve as a Committee Member.
- (2) the committee chair shall then appoint three (3) Regular Equity Members.

iii. Nominating Committee. The following is the procedure for selection of a Nominating Committee for the annual election of Directors:

(1) the Nominating Committee shall consist of the Vice President as Chairman, three (3) 1st term Board Members and four (4) Equity Members at large, and the names of said committee members shall be posted by the Club.

(2) the Nominating Committee shall meet and shall select as Director candidates twice the number of Directors to be voted for in the annual election. No member of the Nominating Committee may be selected as a candidate. The list of nominees shall be submitted to the Regular Equity Members of the Club by October 5th.

iii. Required Procedures. Sections 7.4 through 7.9 of these Bylaws, which govern meetings, action without a meeting, notice, waiver of notice, and quorum and voting requirements of the Board of Directors, apply to committees and their members.

iv. Authority of Committees Other Than Executive Committee. Unless limited by the Act, each committee may exercise those aspects of the authority of the Board of Directors which the Board of Directors confers upon such committee in the resolution creating the committee.

v. Authority of Executive Committee. The Executive Committee shall have and may exercise all powers of the Board of Directors with respect to management of the business and affairs of the Club of an Urgent [inability of the Board of Directors to meet in person or by electronic means in a timely manner] or Confidential [matters pertaining to staff, grievance issues, liability exposure or the like] nature during the intervals between the meetings of the Board of Directors. In any case where the Executive Committee exercises the power of the board, it shall promptly notify the board of such actions. Notwithstanding the foregoing, the Executive Committee shall not have the power to fill vacancies on the Board of Directors or to amend these Bylaws.

7.14 Past President. The immediate Past President of the Club shall, upon retiring from that office and from his or her term as a Director, serve as an ex officio member of the Board of Directors until such time as a successor past President replaces him or her in the ex officio capacity. As such ex officio member, the Past President may participate in all deliberations of the Board of Directors, but shall not vote or exercise any official executive authority.

7.15 General Standards of Conduct for Directors. The standards of conduct for the Directors of the Club shall be as follows:

i. General Standards. Each Director shall discharge his or her duties as a Director, including duties as a member of a committee, (1) in good faith, (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and (3) in a manner the Director reasonably believes to be in the best interests of the Club. The Board of Directors and Regular Equity Members of the Club understand that the members of the Board of Directors may have other business interests, activities and responsibilities that take a substantial portion of their time and attention. Accordingly, the members of the Board of Directors are required to devote to the business of the Club in fulfillment of their respective responsibilities as a Director of the Club only the time and attention that they shall unilaterally deem necessary in order to fulfill their responsibilities as a Director.

ii. Reliance on Certain Information. In discharging his or her duties, a Director is entitled to rely on information, opinions, reports, or statements including financial statements and other financial data, if prepared or presented by:

(1) one or more officers or employees of the Club whom the Director reasonably believes to be reliable and competent in the matters presented;

(2) legal counsel, public accountants, or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or

(3) a committee of the Board of Directors of which the Director is not a member, if the Director reasonably believes the committee merits confidence.

iii. Reliance Unwarranted. A Director is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by paragraph (ii) of this Section 7.15 unwarranted.

iv. Director Not Liable. A Director is not liable for any action taken, or any failure to take any action as a Director, if the duties of the Director have been performed in compliance with this Section 7.15.

v. No Effect on Indemnification Rights. The standards of conduct set forth in this Section 7.15, or any breach of such standards, shall not affect the right or power of the Club to indemnify any individual pursuant to Article 9 of these Bylaws.

7.16 Director Candidates; Posting of Names. The Director candidates eligible to be placed on the ballot and to be voted upon by the Regular Equity Members will consist of only the following:

i. the candidates selected by the Nominating Committee as described in Section 7.13(iii) (2); and

ii. regular Equity Members desiring to be candidates that have filed a petition signed by a minimum of ninety (90) Regular Equity Members per candidate with the General Manager of the Club on or before October 20th of the year during which such Regular Equity Member desires to be a candidate for election to the Board of Directors.

iii. the Club will post the names of the Director candidates selected by the Nominating Committee no later than the October 6th occurring prior to the annual election of Directors by the Regular Equity Members. The Club will post the names of the Director candidates who have complied with the provisions of Section 7.16 (ii) no later than the October 25th occurring prior to the annual election of Directors by the Regular Equity Members.

7.17 Election of Directors. The members of the Board of Directors shall serve staggered terms of office whereby three (3) Directors shall be elected each year by the Regular Equity Members, in addition to any vacancies as set forth in Section 7.11 hereof. The three (3) Directors to be elected each year by the Regular Equity Members will be elected from a ballot of candidates

arranged in alphabetical order consisting of the Director candidates selected pursuant to the provisions of Section 7.16.

7.18 Manner of Election of Directors. The manner of voting by Regular Equity Members for the election of Directors shall be by ballot. The ballot of candidates shall be prepared as described in Section 7.17 and shall be prepared under the direction of the Secretary. The ballot of candidates shall be distributed by mail, email or other electronic means at the discretion of the Board of Directors to each Regular Equity Member eligible to vote by November 1st of each year. The ballots shall be returned to the Club no later than the Saturday closest to November 15th and shall be counted by the Board of Directors and the Chairman of the Nominating Committee on the following Sunday. The successful candidates shall be invited to attend the November and December monthly meetings of the Board of Directors as guests, but without right to vote in such meetings.

ARTICLE 8. OFFICERS AND EMPLOYEES

8.1 Officers. The officers of the Club shall consist of a President, Vice President, Secretary and Treasurer. All of the officers of the Club shall be chosen from the Board of Directors and shall hold office for one (1) year. No officer shall receive any remuneration for his or her services as a director. Each officer shall hold office until his or her successor is appointed or until his or her earlier resignation. Any officer may resign at any time upon written notice to the Board of Directors. The Board of Directors may remove any officer with or without cause at any time.

8.2 President. The President shall take office following one (1) year of service as the Vice President, unless the Board of Directors determines to appoint a different person to the office of President. It shall be the duty of the President to preside at all meetings of the Board of Directors and the Regular Equity Members. The President shall, with the Secretary, sign all obligations, contracts, deeds, mortgages, promissory notes and other instruments, unless otherwise provided by the Board of Directors.

8.3 Vice President. The Vice President shall be elected by the Board of Directors from three (3) Directors who have completed at least one (1) year of service on the Board of Directors. In the absence of the President, or if he or she is unable to perform, the Vice President shall perform his or her duties. In case of a vacancy in the Presidency, the Vice President shall perform the duties of the President until the successor to the office of the President has been appointed and designated by the Board of Directors as provided herein.

8.4 Secretary. The Secretary shall be appointed by the incoming President. It shall be the duty of the Secretary to keep a record of the proceedings of the Club and, with the President, to sign all obligations, contracts, deeds, mortgages, promissory notes and other instruments, and to discharge such other duties as may be entrusted to him or her by the Board of Directors. In addition, the Secretary shall have such other duties and responsibilities as given him or her by the Board of Directors. The Secretary may delegate such of his or her responsibilities to the General Manager as the Board of Directors approves.

8.5 Treasurer. The Treasurer shall be appointed by the incoming President. The Treasurer shall receive the money of the Club and shall be responsible for the keeping of all accounting records. Such accounts and financial records of the Club shall be subject to the inspection of the Board of Directors. In addition, the Treasurer shall have such other duties and

responsibilities as given him or her by the Board of Directors. The Treasurer may delegate such of his or her responsibilities to the General Manager as the Board of Directors approves.

8.6 Vacancies. In the case of a vacancy in the office of President, Vice President, Secretary or Treasurer, the Board of Directors shall fill such vacancy by appointment. The appointment shall be for the period of time remaining in the term of office of the officer vacating such office.

8.7 Bond. The Board of Directors may require that any one or more officers, Directors or other Club employees be bonded in amounts determined by the Board of Directors. The cost thereof shall be paid by the Club.

8.8 Reimbursement of Salary. Any payments made to an employee of the Club such as salary, commission, bonus, interest, rent or entertainment expense incurred by him or her which shall be disallowed in whole or in part as a deductible expense by the Internal Revenue Service, shall be reimbursed by such employee to the Club to the full extent of such disallowance. It shall be the duty of the Board of Directors to enforce payment of each such amount disallowed. In lieu of payment by the employee, subject to the determination of the Board of Directors, proportionate amounts may be withheld from his or her future compensation payments until the amount owed to the Club has been recovered. An 'employee' for purposes of this Section 8.8 shall mean and include any General Manager, Club Manager, Assistant Club Manager, Chef, Golf or Golf Superintendent or other Club employee.

8.9 General Manager. The General Manager shall be appointed by the Board of Directors and continue in such capacity until removed by the Board of Directors. The General Manager shall manage the affairs, direct the work of the Club, and hire, supervise, evaluate and discharge all other Club employees, subject to, and in accordance with, the direction of the Board of Directors. The President will exercise supervisory authority over the General Manager. The General Manager shall prepare budgets of expenses for approval by any designated committee, and shall be authorized to incur expenses in accordance with the approved budgets, or as directed by the Board of Directors. The General Manager shall attend all meetings of the Board of Directors and shall be a non-voting ex officio member of all committees. The General Manager shall make reports of work and affairs of the Club to the President, Board of Directors and meetings of the Regular Equity Members, as required by the President.

8.10 General Standards of Conduct for Officers. The standards of conduct for the officers of the Club shall be as follows:

i. General Standard. Each officer with discretionary authority shall discharge his or her duties under that authority (1) in good faith, (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and (3) in a manner the officer reasonably believes to be in the best interests of the Club. Further, the Board of Directors and Regular Equity Members of the Club understand that the officers of the Club may have other business interests, activities and responsibilities that take a substantial portion of their time and attention. Accordingly, the officers of the Club are required to devote to the business of the Club in fulfillment of their respective responsibilities as an officer of the Club, only the time and attention that they shall unilaterally deem necessary in order to fulfill their responsibilities as an officer. Nevertheless, this paragraph shall in no way be interpreted as restraining or limiting

Section 8.1 above including but not limited to the rights and powers granted to the Board of Directors to remove an officer at any time, with or without cause.

ii. Reliance on Certain Information. In discharging his or her duties, an officer is entitled to rely on information, opinions, reports, or statements including financial statements and other financial data, if prepared or presented by:

(1) one or more officers or employees of the Club whom the officer reasonably believes to be reliable and competent in the matters presented; or

(2) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

iii. Reliance Unwarranted. An officer is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by paragraph (ii) of this Section 8.10 unwarranted.

iv. Officer Not Liable. An officer is not liable for any action taken, or any failure to take any action as an officer if the duties of the office have been performed in compliance with this Section 8.10.

v. No Effect on Indemnification Rights. The standards of conduct set forth in this Section 8.10, or any breach of such standards, shall not affect the right or power of the Club to indemnify any individual pursuant to Article 9 of these Bylaws.

ARTICLE 9. LIMITATION OF LIABILITY AND INDEMNIFICATION

9.1 Limitation of Liability of Directors. Directors shall not be liable to the Club or its Regular Equity Members for monetary damages for any action taken or any failure to take any action, as a Director, except liability for:

i. the amount of a financial benefit received by a Director to which he or she is not entitled;

ii. an intentional infliction of harm on the Club or its Regular Equity Members;

iii. an intentional violation of criminal law.

9.2 Indemnification of Directors. Unless otherwise provided in the Articles of Incorporation, the Club shall indemnify any individual made a party to a proceeding because the individual is or was a Director of the Club against liability incurred in the proceeding. Provided, however, the Club shall only indemnify an individual if it has authorized the indemnification in accordance with the procedure described in Section 16 10a 906(4) of the Utah Revised Business Corporation Act (the "URBCA") and a determination has been made in accordance with the procedures set forth in Section 16 10a 906(2) of the URBCA that indemnification is in accordance with the following requirements (with respect to any provisions of the URBCA incorporated in this Article 9, any reference to shareholders shall be deemed a reference to the Regular Equity Members):

- i. Standard of Conduct. The Club shall determine that:
 - (1) the individual's conduct was in good faith;
 - (2) the individual reasonably believed that his or her conduct was in, or not opposed to, the Club's best interests; and
 - (3) in the case of any criminal proceeding, the individual had no reasonable cause to believe that his or her conduct was unlawful.

ii. No Indemnification in Certain Circumstances. The Club shall not indemnify an individual under this Section 9.2:

- (1) in connection with a proceeding by or in the right of the Club in which the individual was adjudged liable to the Club; or
- (2) in connection with any other proceeding charging that the individual derived an improper personal benefit, whether or not involving action in the individual's official capacity, in which proceeding he or she was adjudged liable on the basis that he or she derived an improper personal benefit.

iii. Indemnification in Derivative Actions Limited. Indemnification permitted under this Section 9.2 in connection with a proceeding by or in the right of the Club is limited to reasonable expenses incurred in connection with the proceeding.

9.3 Advance Payment of Expenses. Unless otherwise provided in the Articles of Incorporation, the Club may pay for or reimburse in advance of final disposition of any proceeding the reasonable expenses incurred by an individual who is a party to a proceeding because he or she is or was a Director of the Club if (1) in accordance with the procedures and standards set forth in Section 16 10a 906(4) of the URBCA, an authorization of payment is made, and (2) in accordance with the procedures of Section 16 10a 906(2) of the URBCA, a determination is made that the following has occurred:

i. Written Affirmation. The individual has furnished to the Club a written affirmation of the individual's good faith belief that the individual has met the standard of conduct described in Section 9.2 of these Bylaws.

ii. Written Undertaking. The individual has furnished to the Club a written undertaking, executed personally or on the individual's behalf, to repay the advance if it is ultimately determined that the individual did not meet the standard of conduct (which undertaking must be an unlimited general obligation of the individual but need not be secured and may be accepted without reference to financial ability to make repayment).

iii. Factual Determination. A determination has been made that the facts then known to those making the determination would not preclude indemnification under Section 9.2 of these Bylaws or Part 9 of the URBCA.

9.4 Indemnification of Officers, Employees, Fiduciaries, and Agents. Unless otherwise provided in the Articles of Incorporation, the Club shall indemnify and advance expenses to any individual made a party to a proceeding because the individual is or was an officer, employee, fiduciary, or agent of the Club to the same extent as to an individual made a party to a proceeding because the individual is or was a Director of the Club, or to a greater extent, if not inconsistent with public policy, if provided for by general or specific action of the Board of Directors.

9.5 Insurance. The Club may purchase and maintain liability insurance on behalf of a person who is or was a Director, officer, employee, fiduciary, or agent of the Club against liability asserted against or incurred by him or her in that capacity or arising from his or her status as a Director, officer, employee, fiduciary, or agent.

ARTICLE 10. AMENDMENTS

Subject to applicable law, the power to alter, amend or repeal these Bylaws shall be vested in the Board of Directors, except that Section 3.11, Section 5.3 and Section 5.4 hereof shall not be amended or modified unless such amendment or modification receives at least a majority of the votes which Regular Equity Members present or represented by proxy are entitled to cast at a duly convened meeting of the Regular Equity Members called for such purpose.

ARTICLE 11. LIQUIDATION

Upon the liquidation or dissolution of the Club, whether voluntary or involuntary, and following satisfaction or discharge of all Club liabilities and obligations as required by law, all remaining assets of the Club, if any, shall be distributed on an equal basis to all Regular Equity Members. In such distribution, the Club shall be entitled to offset, against a Regular Equity Member's distributable portion, any indebtedness of such member to the Club. No member other than a Regular Equity Member shall be entitled to receive any distribution of the remaining assets of the Club, if any, contemplated by this Article 11.