

IN THE CIRCUIT COURT OF THE
FIFTEENTH JUDICIAL CIRCUIT IN AND
FOR PALM BEACH COUNTY, FLORIDA

CASE NO.

DANIEL BRUMBACK,

Plaintiff,

v.

STONEBRIDGE GOLF AND COUNTRY
CLUB OF BOCA RATON, INC., a Florida not-
for-profit corporation,

Defendant.

COMPLAINT

Plaintiff Daniel Brumback (“Brumback” or “Plaintiff”) hereby sues Defendant Stonebridge Golf and Country Club of Boca Raton, Inc. (“Stonebridge” or the “Club”) for declaratory relief and court-ordered indemnification, and states:

PARTIES JURISDICTION AND VENUE

1. This is an action for declaratory relief, court-ordered indemnification and breach of contract related to the Club’s imposition of unauthorized disciplinary sanctions against Brumback, a dues-paying member and former President of the Club, and the Club’s refusal to honor its contractual obligation to indemnify Brumback as a former officer pursuant to Section 16.01 of the Club’s Restated By-Laws (the “Bylaws”), a copy of which is attached hereto as **Exhibit A**.

2. Brumback is an individual who is a citizen and resident of Palm Beach County, Florida, and has been a member of Stonebridge since July 2006.

3. Stonebridge is a Florida not-for-profit corporation organized under Chapter 617, Florida Statutes, with its principal place of business in Palm Beach County, Florida.

4. This Court has jurisdiction pursuant to, among other things, Chapter 86, Florida Statutes, and Fla. Stat. §§ 26.012, 607.0854, and 617.0831. The amount in controversy exceeds \$50,000, exclusive of interest, costs, and attorneys' fees.

5. Venue is proper in this Court because, among other things, Defendant is located in Palm Beach County and the events giving rise to this action occurred in Palm Beach County.

6. All conditions precedent to the commencement of this action have occurred, have been performed, or have been waived.¹

FACTUAL ALLEGATIONS

A. Brumback's Service to Stonebridge

7. Brumback and his wife have lived in the Stonebridge community for nearly twenty years.

8. In March 2024, Brumback was elected to the Board of Governors for his second term, on a platform of transparency and fiscal responsibility. He was thereafter elected President of the Board.

9. Under Brumback's leadership, the Club achieved measurable improvements in its golf course conditions, amenity ratings, and fiscal standing - including significant cost savings and a budget surplus - all without increasing equity member dues. The Board also opened its meetings to the general membership for the first time in the Club's nearly forty-year history.

10. As part of these improvements, the Board replaced prior management, including the prior General Manager, and made changes to certain vendor relationships. These decisions,

¹ Section 16.02 of the Bylaws makes completion of the internal complaint and review process a "Prerequisite to Litigation" against the Club. Brumback has complied with this requirement: he filed a formal complaint under Section 16.02(a) on July 15, 2025 and timely filed his appeal of the Decision Letter under Section 15.02(b). The Board has refused to act on either. To the extent the Club contends these prerequisites have not been satisfied, the Board has waived any such defense by its own refusal to cooperate with the process its Bylaws require, or alternatively, further compliance is excused as futile.

while beneficial to the Club, generated personal animosity from a vocal group of members who had been associated with the prior leadership and who sought to return to power.

B. Shannon Emmanuel — Background and Termination

11. Shannon Kelly Emmanuel (“Ms. Emmanuel”) is a former Club employee from South Africa who worked at the Club as a bartender and server through the H2B visa program. The 2024-2025 season was her second season at the Club.

12. Ms. Emmanuel had a documented history of manipulation and making false claims at prior employers. While at a prior club, she convinced a General Manager to give her \$6,000 by claiming she lost money on a car purchase. She was fired from that position for engaging too closely with members and failing to maintain professional boundaries.

13. Ms. Emmanuel previously filed a workers’ compensation petition for an injury that allegedly occurred on November 21, 2022 at yet another club, claiming damage to her lumbar spine, left shoulder, left elbow, left hip, left knee, left foot, and left ankle. She received a settlement of \$27,000.

14. On or about January 31, 2025, Ms. Emmanuel filed a workers’ compensation claim against Stonebridge alleging a work-related wrist injury occurring on December 31, 2024. The workers’ compensation insurance adjuster denied the claim and advised that Ms. Emmanuel’s actions were considered fraudulent, as she lied in her statement about the injury being a result of overuse at a work-related event when, in fact, she had a pre-existing wrist condition requiring surgery that predated any alleged workplace injury.

15. On or about April 23, 2025, Club management discovered a “SpotFundMe” fundraising page created to raise money for Ms. Emmanuel’s wrist surgery, in violation of the Club’s no-tipping policy. Although the page was written as if created by a third party, Ms.

Emmanuel was identified as the actual administrator and had solicited donations directly from Club members. The page had raised over \$8,000 from Club members.

16. On April 25, 2025, Club management terminated Ms. Emmanuel for violating Club policies, including the fraudulent workers' compensation claim and the unauthorized fundraising page. The decision to terminate Ms. Emmanuel was made by the Club's management and not Brumback.

17. Ms. Emmanuel sent numerous texts to Brumback begging him to help her keep her position, and became angry when Brumback advised her he had nothing to do with her separation and would not interfere with the decision independently made by Club management.

18. Immediately following her termination, and only after being fired, Ms. Emmanuel, for the first time, accused Brumback of engaging in inappropriate behavior. She called the Club's HR Director in excess of twenty times on the day of her termination.

19. The Club's outside employment counsel at the time conducted an investigation into Ms. Emmanuel's allegations. Notably, no witness - whether employee, member, or otherwise - corroborated any of Ms. Emmanuel's allegations against Brumback. Ms. Emmanuel's former managers each stated that Ms. Emmanuel never complained to them about any member or employee treating her inappropriately, and they never observed inappropriate behavior toward her.

20. The Club's outside employment counsel's investigation revealed that Ms. Emmanuel's credibility was "questionable" given her history of inappropriate relationships with members at prior clubs, her arguable engagement in workers' compensation fraud, and the fact that she never made any complaints until after she was terminated.

21. David Cantrell, the owner of the staffing company responsible for placing Ms. Emmanuel at Stonebridge, described her as "manipulative and smart" and stated that "other clubs

have had issues with her, but she went too far this time.” His company cut ties with Ms. Emmanuel and stated it would not work with her again.

22. During the investigation, Brumback fully cooperated with the Club and its counsel.

23. Whatever claims Ms. Emmanuel made against the Club related to Brumback’s position as President of the Board of Governors. Those claims were subsequently resolved by way of a private, confidential settlement, the terms of which have not been disclosed to Brumback, despite numerous requests.

C. The Campaign of Personal Animosity Against Brumback

24. On May 20, 2025, a group of Club members - many of whom were associated with the prior leadership that Brumback’s Board had replaced - filed a grievance against the Board of Governors and Brumback, purportedly based on allegations relating to Ms. Emmanuel and the Board’s handling of Club business. The grievance was attached to a recall petition seeking Brumback’s removal from the Board.

25. The May 20, 2025 complaint was directed to the entire Board and contained no original signature from any person. The signatories took it upon themselves to declare they would “conduct an investigation on behalf of the entire Club membership.”

26. The complaint and recall petition were distributed to the general membership and posted on a Facebook group with approximately 400 Club members by then-Grievance Chairperson Len Hornstein, member Barry Frankel and Drew Wildstein, a current Board member. Such actions constitute a clear and egregious violation of the confidentiality requirement of Section 15.02(b) of the Bylaws.

27. Upon information and belief, in multiple instances, the Club, through its committees, violated the confidentiality of the Board's sessions on this matter and colluded with other members conducting a smear campaign and personal attack against Brumback.

28. Although the original May 20, 2025 purported grievance was directed at the entire Board of Governors, subsequent action by the Club and the Grievance Committee singled out Brumback, and only Brumback, for discipline. No other Board member was investigated or sanctioned in connection with the same grievance. Meanwhile, other grievances filed by other members against other Club members have been allowed to languish without action for extended periods. This selective and disparate treatment constitutes unlawful selective enforcement under the Club's own governing documents and Florida law, and demonstrates the personal animus and vendetta that has driven these proceedings from the outset.

29. On July 3, 2025, Brumback resigned from the Board of Governors, citing significant abuse, threats, harassing letters and trolling by a vocal group that has had a primary mindset of returning to power.

30. With full knowledge of the Emmanuel investigation, one of the Board members now leading the campaign of selective enforcement against Brumback privately wrote to Brumback: "You were an excellent President who accomplished a great deal, and worked harder than anyone before you, and likely after you."

31. On July 25, 2025, the Club's president, Jonas Steinberg, sent a letter dismissing the original May 20, 2025 complaint.

32. Undeterred, on or about August 1, 2025, a significant overlapping group of members, with support of various Board members seeking to attack Brumback, filed a new,

unsigned complaint against Brumback, referencing the same dismissed May 20, 2025 grievance and making substantially similar false allegations against Brumback regarding Ms. Emmanuel.

D. The Grievance Decision and Unauthorized Restitution Demand

33. On or about September 30, 2025, the Grievance Committee held a hearing regarding the August 1, 2025 complaint. Demonstrating the lack of a real evaluation of the matter, the members of the Grievance Committee admitted during the hearing that they had never previously been provided with Brumback's response. The entire process was procedurally deficient and pushed by members of the Board of Governors to attack Brumback.

34. During the Grievance process, representatives of the Club advised Brumback that he was being targeted because of his tenure as President of the Club.

35. On October 20, 2025, the Board rendered its decision, followed by a written decision letter dated October 22, 2025 (the "Decision Letter"). A copy of the Decision Letter is attached as **Exhibit B**.

36. The Decision Letter imposed two forms of discipline: (1) a twelve-month suspension from all Club privileges, effective through October 22, 2026; and (2) a requirement that Brumback "make restitution to the Club in an amount equal to the expenses incurred and paid by the Club related to its defense in this matter."

37. Showing continued procedural due process violations, the Decision Letter states that the Board considered information beyond what was presented to the Grievance Committee, but the Club refused to provide that additional information to Brumback to evaluate and respond to despite repeated requests.

38. In all prior grievance matters for the Club of which Brumback is aware, the target of the grievance was provided with all materials being considered, but the Board has arbitrarily treated Brumback's case differently than previous matters.

39. To date, more than seven months after the Decision Letter, the Board has refused to specify or quantify the amount of "restitution" it seeks from Brumback. When asked for backup information, the Club refused. No dollar figure has ever been provided. No itemized statement has ever been placed on Brumback's monthly account as required by Section 14.01 of the Bylaws.

40. Brumback timely filed an appeal of the Board's decision pursuant to Section 15.02(b) of the Bylaws within the allotted ten-day period. Despite the passage of more than seven months, the Board refused to schedule or process Brumback's appeal, in violation of the Bylaws.

41. Historically, a member of the Club maintained all privileges until the appeal process ran with respect to a grievance complaint. The current Board changed such standing policy to have discipline against Brumback immediately go into effect. In so doing, they could completely disregard the appeal that even the Club's attorney acknowledged was timely.

42. The Club has threatened Brumback that it will set an arbitrary restitution amount to attempt to recover purported Club expenses associated with the matter involving Ms. Emmanuel.

43. The Club has unlawfully threatened that if Brumback does not pay amounts the Board unilaterally sets, he will be suspended indefinitely.

E. The Club's Obligation to Indemnify Brumback

44. Section 16.01 of the Club's Bylaws provide that "[o]fficers, Governors and members of authorized committees of the Club are indemnified, except as limited by law, by the Club for actions taken during the course of their tenure as Officers, Governors and/or committee

members.” The Club is also obligated to maintain “adequate insurance coverage” for its Governors, committee members, and Officers.

45. The Club’s investigation and defense costs in the Shannon Emmanuel matter arose directly from actions taken during the course of Brumback’s tenure as President. Under Section 16.01, Brumback is affirmatively entitled to indemnification by the Club for those costs, and not to have them imposed upon him as a punitive “charge.”

46. Ms. Emmanuel’s allegations, albeit false, were directed at Brumback in his capacity as Club President, the Club’s investigation was of the President’s conduct in office, and the grievance proceedings were initiated against him as a Board member and his service as President.

47. The Club refused to honor its contractual obligations to Brumback, which forced Brumback to unnecessarily incur expenses that he should not have had to expend.

48. Fla. Stat. § 607.0854 (for-profit corporations), made applicable to not-for-profit corporations and incorporated into Chapter 617 by § 617.0831, provides a direct judicial remedy for officers and directors whose corporations refuse to honor indemnification obligations. Under § 607.0854(1)(b), a court may order indemnification when the officer is entitled to it under a bylaw provision authorized by § 607.0858(1), which is precisely the circumstance here, where Section 16.01 of the Bylaws expressly grants indemnification to officers for actions taken during the course of their tenure.

49. When a court orders indemnification under § 607.0854(1)(b), the statute further requires “the corporation to pay the director’s or officer’s *expenses* incurred in connection with obtaining court-ordered indemnification or advance for expenses.” Fla. Stat. § 607.0854(2). Brumback is not only entitled to indemnification itself, but also to recover his costs in bringing this action to enforce that right.

50. Further, the Board's demand for open-ended, unquantified "restitution" violates Section 14.01 of the Bylaws, which requires that "[a]n itemized statement of any dues, fees, assessments and charges (including any fines and Legal Costs) shall be sent monthly to each Member and Associate." No such itemized statement has ever been provided to Brumback.

51. Although Section 15.03 of the Bylaws permits the Board, in appropriate circumstances, to charge a member with losses incurred by the Club as a consequence of that member's actions or inactions, that provision does not authorize the Board's purported restitution demand here. The Club has not identified any cognizable "losses" caused by Brumback within the meaning of Section 15.03, has not quantified any such alleged losses, and has not provided any itemized statement or backup as required by Section 14.01. Moreover, the amounts the Club seeks to shift to Brumback are, on information and belief, defense costs, legal fees, settlement-related expenses, or investigative expenses arising from allegations made against Brumback in his capacity as Club President—expenses for which Brumback is entitled to indemnification under Section 16.01, not charges that may be imposed against him as discipline.

52. The Board's refusal to process Brumback's timely filed appeal violates Sections 15.02 and 16.02 of the Bylaws. To Brumback's knowledge, no member in the history of the Club has ever been required to reimburse the Club's own legal defense costs as a disciplinary "charge." This unprecedented and unauthorized selective action is motivated by personal animus against Brumback, not the best interests of the Club.

COUNT I — PETITION FOR DECLARATORY RELIEF

53. Brumback realleges and incorporates Paragraphs 1 through 52 as if fully set forth herein.

54. Chapter 86, Florida Statutes, authorizes this Court to determine rights, status, and other equitable or legal relations under the Bylaws of the Club.

55. There is a bona fide, actual, present practical need for a declaration concerning the parties' rights and obligations relating to the unspecified restitution demand contained in the October 22, 2025 Decision Letter and the Club's obligation to indemnify Brumback pursuant to Section 16.01 of the Bylaws.

56. Brumback and Stonebridge have an actual, present, adverse and antagonistic interest relating to: (i) whether Brumback owes any restitution, fines, fees, or charges to the Club in connection with the Shannon Emmanuel matter; (ii) the timing for Brumback's membership being restored to good standing; and (iii) whether the Club is obligated to indemnify Brumback for defense costs, legal fees, and expenses he has incurred in connection with the allegations arising from his service as Club President.

57. The Board's demand for "restitution" is unauthorized, unenforceable, and void, and unreasonably seeks to have Brumback indemnify the Club for an obligation for which the Club was required to indemnify Brumback.

58. Section 16.01 of the Bylaws provides that Officers, Governors, and members of authorized committees "are indemnified, except as limited by law, by the Club for actions taken during the course of their tenure as Officers, Governors and/or committee members." The Club is further obligated to maintain "adequate insurance coverage" for Governors, committee members, and Officers. Accordingly, any defense costs, legal fees, or expenses Brumback incurred arise from "actions taken during the course of [his] tenure" as an Officer within the meaning of Section 16.01. The entire purported investigation by the Club and the follow-up smear campaign against

Brumback have all stemmed from alleged actions taken by Brumback during his tenure as an Officer of the Club.

59. Brumback requests that the Court enter a judgment declaring that:

(a) Brumback owes no restitution, fines, fees, charges, or other monetary amounts to Stonebridge in connection with the Shannon Emmanuel matter or the Club's defense or investigation thereof;

(b) The Board's demand for restitution contained in the October 22, 2025 Decision Letter is void and unenforceable;

(c) The Board may not bill, lien, or otherwise charge Brumback's account for any amount related to the Shannon Emmanuel matter;

(d) The Club is obligated to indemnify Brumback pursuant to Section 16.01 of the Bylaws and Fla. Stat. § 617.0831 for actions taken during the course of his tenure as President;

(e) the Club breached its contractual obligations to Brumback; and

(f) Such further relief as the Court deems just and proper.

COUNT II — COURT-ORDERED INDEMNIFICATION

60. Brumback realleges and incorporates Paragraphs 1 through 52 as if fully set forth herein.

61. Fla. Stat. § 607.0854 provides that a director or officer of a corporation who is a party to a "proceeding" because he or she is or was a director or officer may apply to a court for indemnification or an advance for expenses, or both.²

62. Brumback was a party to multiple proceedings arising from his service as President, including the Club's investigation regarding Ms. Emmanuel, the formal grievance proceedings

² Section 607.0850(1)(b), Florida Statutes, defines "proceeding" broadly for purposes of the entire indemnification subpart to mean "any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal."

against him, and the Board's resulting demand for restitution of the Club's defense costs. Brumback is entitled to full indemnification in connection with all such proceedings.

63. Under Fla. Stat. § 607.0854(1)(b), a court may order indemnification when the director or officer is entitled to indemnification pursuant to a bylaw provision authorized by § 607.0858(1). Section 16.01 of the Stonebridge Bylaws is such a provision, as it expressly grants indemnification to officers for actions taken during the course of their tenure. The Club has refused to honor this obligation.

64. Pursuant to § 607.0854(2), when a court orders indemnification under subsection (1)(b), the court "**shall** also order the corporation to pay the director's or officer's expenses incurred in connection with obtaining court-ordered indemnification or advance for expenses." (emphasis added).

65. Brumback requests the Court order that:

(a) The Club indemnify Brumback for all defense costs, legal fees, and expenses he has incurred in connection with the proceedings arising from his service as President;

(b) The Club pay Brumback's reasonable expenses, including attorneys' fees, incurred in obtaining the court-ordered indemnification in this action, as required by § 607.0854(2); and

(c) Such further relief as the Court deems just and proper.

COUNT III — BREACH OF CONTRACT

66. Brumback realleges and incorporates Paragraphs 1 through 52 as if fully set forth herein.

67. The Bylaws are a contract between the Club and its members, and also between the Club and its officers.

68. The Club breached its contractual obligations to Brumback by, among other things, failing to properly process his appeal, the imposition of an unquantified restitution obligation, failure to itemize charges, and violation of the confidentiality provisions.

69. As a direct and proximate cause of the Club's breaches, Brumback has been and continues to be damaged in an amount to be determined at trial.

WHEREFORE, Plaintiff Daniel Brumback respectfully requests that the Court: (i) enter declaratory relief as requested in Count I; (ii) order the Club to indemnify Brumback and pay his reasonable expenses as requested in Count II; (iii) award Brumback his damages due to the Club's various breaches of contract; (iv) award reasonable attorneys' fees and costs pursuant to the Bylaws and Fla. Stat. § 607.0854(2); and (v) grant such other and further relief as the Court deems just and proper.

Dated: June 3, 2026.

Respectfully submitted,

/s/ Brian H. Koch

BRIAN H. KOCH

Fla. Bar No. 637335 (brian.koch@hklaw.com)

JOSEPH MENNITI

Fla. Bar. No. 1049432 (joseph.menniti@hklaw.com)

HOLLAND & KNIGHT LLP

515 East Las Olas Boulevard, Suite 1200

Fort Lauderdale, Florida 33301

Tel: 954.525.1000

Fax: 954.463.2030

Counsel for Daniel Brumback



RESTATED BY-LAWS

≡ EFFECTIVE JUNE 20, 2018 ≡

***By-Laws of
Stonebridge Golf & Country Club
of Boca Raton, Inc.***

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**AMENDED AND RESTATED BY-LAWS OF
STONEBRIDGE GOLF AND COUNTRY CLUB
OF BOCA RATON, INC.**

As Revised June 20, 2018

PREAMBLE

The following restatement of the By-Laws of Stonebridge Golf and Country Club of Boca Raton, Inc. amends, restates and supersedes the First Amended and Restated By-Laws of June 3, 2008, and is effective on June 20, 2018.

**ARTICLE I
DEFINITIONS**

The following capitalized terms when used in these By-Laws (unless the context provides otherwise) shall have the following meanings:

“Annual Meeting” shall mean the meeting, to be held annually, of the Members of the Club pursuant to Article IV of these By-Laws.

“Annual Meeting of the Board of Governors” shall mean the meeting to be held annually by the Board of Governors pursuant to Article VI of these By-Laws.

“Annual Non-Resident Associate(s)” shall mean a non-equity, non-transferable, non-resident annual Associate of the Club who is not a Member of the Club and whose rights are restricted to use of certain Club Facilities, as further described in Article XI, Section 11.04, of these By-Laws.

“Application for Associate Agreement” shall mean a written application required by the Club to be submitted by any natural person(s) desiring to enter into an annual agreement with the Club to be an Annual Non-Resident Associate or a Legacy Associate.

“Application for Membership” shall mean a written application required by the Club to be submitted by one (1) natural person (two (2) natural persons or an entity under the exceptions set forth in Article XI, Section 11.07, of these By-Laws) desiring to be considered by the Club for the approval of Membership in the Club.

“Articles of Incorporation” or **“Articles”** shall mean the Articles of Incorporation of the Club as filed with the Secretary of State of Florida and as may be amended from time to time.

“Associate(s)” shall mean Annual Non-Resident Associate(s) and Legacy Associate(s).

“Board of Governors” or **“Board”** shall mean the elected or appointed Board of Governors of the Club and having the meaning ascribed to such term under the Florida not-for profit corporation law.

“By-Laws” shall mean these By-Laws of the Club as may be amended from time to time.

“Capital Assessment(s)” shall mean assessments imposed pursuant to Article XIV, Section 14.03 to be utilized exclusively for capital improvements of the Club.

“Club” shall mean Stonebridge Golf and Country Club of Boca Raton, Inc., a Florida not-for-profit corporation.

“Club Facilities” shall mean all improvements made to the Club premises, such as the golf course, the clubhouse, tennis courts, fitness center, dining facilities, swimming pool, and such additional and alternative improvements as may be owned or leased by the Club from time to time.

“Code” shall mean the Uniform Commercial Code in effect from time to time in the State of Florida.

“Cumulative Voting” shall mean a voting system or behavior where more than one opening or selection is to be voted upon and a voter is permitted to cumulate or combine his or her votes and cast more than the allotted votes per opening or selection. An example of Cumulative Voting, which is not permitted in Membership voting on Club matters, would be if a Golf Member were voting on three (3) openings for Governors in a field of four (4) candidates. That means he or she would have a total of six (6) votes to cast, two (2) per opening multiplied by three (3) openings. Instead of casting his or her two (2) votes per opening, the Golf Member impermissibly engages in Cumulative Voting by casting four (4) of his or her votes for Candidate B and his or her two (2) remaining votes for Candidate C.

“Designated User” shall be a natural person meeting the criteria set forth in Article XI, Section 11.07 of these By-Laws. The term “Member” shall be deemed to include his or her “Designated User”, if any, unless the context or a specific provision of these By-Laws or the General Club Rules requires otherwise.

“Effective Date” shall mean February 15, 2016.

“Felony Involving Moral Turpitude or Dishonest Dealing” shall mean a Class 1 or Class 2 felony under Florida’s statutes or their equivalents in other jurisdictions including, but not limited to, in the case of moral turpitude, an inherent quality of baseness, vileness, or depravity with respect to a person's duty to another or to society in general (examples include murder, rape and robbery) and, in the case of dishonest dealing, a lack of integrity or an intent to distort, cheat or act deceitfully or fraudulently, as determined in the sole discretion of the Board.

“Fiscal Year” shall mean an accounting period of twelve months, currently commencing on November 1st and ending October 31st, as may be amended from time to time.

“General Club Rules” shall mean the rules, regulations, policies and procedures governing use of the Club and all of the Club Facilities adopted or ratified by the Board as may be amended, modified or repealed by the Board, in whole or in part, from time to time.

“General Manager” shall mean the person appointed by the Board of Governors and reporting to the President to whom the executive day-to-day operation and management of the Club is entrusted.

“Golf Member(s)” shall mean those persons maintaining Golf Memberships or those persons designated to be Members by entities maintaining Golf Memberships.

“Golf Membership” shall mean a Membership as described in Article XI, Section 11.02, of these By-Laws that entails a Membership Contribution.

“Golf “X” Member(s)” shall mean those persons maintaining Golf “X” Memberships or those persons designated to be Members by entities maintaining Golf “X” Memberships.

“Golf “X” Membership” shall mean a subset of Golf Membership entailing certain rights, limitations and obligations described in Article XI, Section 11.06, subparagraph c.

“Governor(s)” shall mean members of the Board of Governors who have been elected or appointed pursuant to Article V of these By-Laws.

“Gross Receipts” shall mean the Club’s total operating revenue (without subtracting costs and expenses of producing such revenue), but excluding Membership Contributions and amounts received from the sales of the Club’s fixed assets.

“Immediate Family” shall mean a Member’s spouse, Designated User or Significant Other, as well as (a) the unmarried children, stepchildren and wards of the Member and his/her spouse or Significant Other if the children, stepchildren and/or wards are under the age of twenty-five (25) at the start of the Fiscal Year and permanently reside with the Member or attend school on a full-time basis or are on active duty in the United States military, and (b) the grandchildren of the Member and his/her spouse or Significant Other if the grandchildren are under the age of twenty-five (25) and permanently reside with the Member. If any of these children, stepchildren, wards or grandchildren is disabled and permanently resides with the Member, the age restriction of twenty-five (25) shall not apply. The term “Immediate Family” does not include the Designated User’s spouse, significant other, unmarried children, stepchildren, grandchildren or wards.

“In Good Standing” shall have the meaning set forth in Article XV, Section 15.04, of these By-Laws.

“Informational Meeting” shall mean a meeting of Members in addition to the Annual Meeting, to be held for the purposes set forth in Article IV, Section 4.05, of these By-Laws.

“Legacy Associate(s)” shall mean a non-transferable, non-resident Associate of the Club who once was, but is no longer, a Member of the Club and whose rights are restricted to use of certain Club Facilities as further described in Section 11.06, subparagraph f., of these By-Laws.

“Legal Costs” shall mean the fees of attorneys, collection agencies, experts, mediators and arbitrators and the charges, filing and other fees, costs and expenses, including interest thereon at the highest rate allowed by law, of collection agencies, attorneys, experts, mediation, arbitration and courts at all levels, whether or not legal proceedings are initiated, which the Club incurs to collect monies from a Member or Associate and/or to which the Club is entitled pursuant to Articles XV and XVI of these By-Laws.

“Member(s)” shall mean one (1) natural person (two (2) natural persons under the exceptions set forth in Article XI, Section 11.07, subparagraphs a. and b., of these By-Laws) maintaining a Membership in the Club as provided herein or one (1) natural person who is the designee of an entity maintaining a Membership in the Club as provided in Article XI, Section 11.07, subparagraph c., of these By-Laws. The term “Member” does not include Associates. The term “Member” shall be deemed to include his or her Designated User, if any, unless the context or a specific provision of these By-Laws or the General Club Rules requires otherwise.

“Membership” shall mean any category of membership in the Club as provided in these By-Laws, as well as the relationships of Non-Equity Social Members to the Club. The term “Membership” does not include the relationship of Associates to the Club.

“Membership Certificate(s)” shall mean the certificate issued by the Club upon approval of an Application for Membership and successful completion of further requirements of these By-Laws, evidencing a Property owner’s Membership in the Club.

“Membership Contribution” shall mean the Membership equity contribution component and non-refundable initiation fee component established by the Board from time to time for the purchase of a Membership of a given category.

“Membership Holder” shall mean the person(s) or entity whose name(s) are on the Membership Certificate.

“Non-Equity Social Member(s)” shall have the meaning set forth in Section 11.06, subparagraph e., of these By-Laws.

“Officer(s)” shall mean the President, Vice President, Secretary and Treasurer of the Club, and all persons filling offices created by these By-Laws.

“President” shall mean the Officer having the powers set forth in Article IX, Section 9.01, of these By-Laws.

“Property” shall mean any residential unit or lot within Stonebridge.

“Regular Meeting(s)” shall mean the meetings of the Board of Governors to be held on a regular basis as determined by the Board of Governors pursuant to Article VI, Section 6.03, of these By-Laws.

“Schedule of Fees” shall mean the annually published schedule of dues, fees and charges, together with certain policies of the Board pertaining to such dues, fees and charges as adopted from time to time. The Schedule of Fees shall be deemed to be part of the General Club Rules and shall be binding on all Members, Designated Users, entity Membership Holders and Associates.

“Secretary” shall mean the Officer having the powers set forth in Article IX, Section 9.03, of these By-Laws.

“Significant Other” shall mean a person, irrespective of gender, who has been designated as such by an unmarried Member, as set forth in Article XI, Section 11.05, of these By-Laws. If a Significant Other meets the additional criteria for a Designated User set forth in Article XI, Section 11.07, she or he shall be a Designated User rather than a Significant Other.

“Social Member(s)” shall mean those persons maintaining Social Memberships or those persons designated to be Members by entities maintaining Social Memberships.

“Social Membership” shall mean a Membership as described in Article XI, Section 11.03, of these By-Laws that entails a Membership Contribution.

“Special Meeting(s)” of the Board shall mean a meeting of the Governors called in accordance with Article VI, Section 6.04, of these By-Laws.

“Special Meeting(s) of the Members” shall mean a meeting of the Members called in accordance with Article IV, Section 4.03 or Article V, Section 5.05, of these By-Laws.

“Stonebridge” shall mean the Stonebridge community delineated on Stonebridge Plats 1 and 2 as recorded in Plat Book 49 at pages 112-119 and Plat Book 53 at pages 38-44, respectively, of the Public Records of Palm Beach County, Florida.

“Treasurer” shall mean the Officer having the powers set forth in Article IX, Section 9.04, of these By-Laws.

“Vice President” shall mean the Officer having powers set forth in Article IX, Section 9.02, of these By-Laws.

Where appropriate in these By-Laws, the singular shall mean the plural and the plural the singular; and the masculine shall mean the feminine or neuter (such as for an entity), the feminine the masculine or neuter, and the neuter the masculine or feminine.

ARTICLE II PURPOSE

The Club is formed to operate, maintain and conduct a private country club with facilities for golf, tennis, swimming, and other sports and to promote recreation, good fellowship and social functions for its Members.

ARTICLE III CLUB EMBLEM

The emblem of the Club shall be of a style and design as approved by the Board of Governors as it may determine from time to time.

ARTICLE IV MEMBER MEETINGS AND VOTING

4.01 ANNUAL MEETING

An Annual Meeting shall be held for the purposes of receiving reports of Officers, Club management and others and for such other business as may be properly brought before such meeting by any Member In Good Standing. To be properly brought before the meeting, such other business must be provided in reasonable detail, in writing, to and received by the President no less than three (3) days prior to the date of sending out notice of the Annual Meeting. No motions from the floor shall be entertained at the Annual Meeting.

4.02 DATE AND PLACE OF ANNUAL MEETING

Each Annual Meeting shall be held at the time designated by the Board of Governors at the clubhouse unless otherwise specifically designated by the Board of Governors. The Annual Meeting shall be held no sooner than fifteen (15) days and no later than sixty (60) days after receipt of the annual financial reports by the Board of Governors.

4.03 SPECIAL MEETINGS OF THE MEMBERS

Special Meetings of the Members may be called by the President, a majority of the entire Board of Governors, by the written request of at least ten percent (10%) of the total number of votes of the Members then entitled to vote or, in the case of a recall vote,

pursuant to the provisions of Article V, Section 5.05. A request for a Special Meeting of the Members shall include a reasonably detailed description of the business to be considered and shall be submitted to the President who shall cause notice of such Special Meeting to be sent to the Membership within (15) days of the date of receipt of the request. Notices of any Special Meeting of the Members must contain a statement of the purpose for which the Special Meeting is called. No other business may be transacted and no motions from the floor may be entertained at such meeting.

4.04 NOTICES

For all purposes under these By-Laws, notice given to a Member or service of a document upon a Member shall constitute notice given or service upon the second Member on the Membership Certificate, if any, the Member's Designated User, if any, and the entity Membership Holder, if any. The Secretary shall give at least fifteen (15) days but not more than sixty (60) days prior notice of Member meetings to each Member of record who is In Good Standing. Notice shall be given by such means as provided by law, including electronic transmission, stating the place, day and time of the meeting. Such notice shall be deemed to be delivered when transmitted to a Member addressed to the electronic address or telephone number at which the Member has consented to receive notice. In the absence of such consent or if the sender receives an indication that the electronic transmission was not received, the notice shall be deposited in the United States mail in a sealed envelope addressed to such Member at his or her address of record with sufficient postage thereon prepaid, and the notice shall be deemed delivered when so deposited. In the case of the Annual Meeting, the notice shall state each item of business to be brought before the meeting and contain proxy materials for votes to be taken, if any, with respect to such stated business. The meeting shall be restricted, with respect to the business that requires a Membership vote, to only those matters contained in the notice of meeting. In the case of a Special Meeting of the Members, the notice shall state the purpose or purposes for which the meeting is called and contain any proxy materials that may be necessary for any vote to be held. The voting Member shall have the option to return the ballot reflecting the Member's vote at any time prior to the date of the meeting. The receipt of a ballot by the Club indicating the Member's vote at any time prior to the meeting date shall be counted toward the number of votes of Members necessary to establish a quorum. In addition to sending notices to Members, at least fifteen (15) days but not more than sixty (60) days' prior notice of any meeting may be posted or placed in any medium likely to be seen by the Members, including appropriate places in Stonebridge, the Club's newsletters, television channel or internet site.

4.05 INFORMATIONAL MEETINGS

In addition to the Annual Meeting, the Board of Governors shall cause to be held no less than one (1) Informational Meeting of the Members during each Fiscal Year for the purpose of receiving reports from the Officers, Club management and others and receiving questions and comments from the Members which will include a "State of the Club" report.

No action may be taken at any Informational Meeting unless such meeting shall also qualify as a Special Meeting of the Members.

4.06 MEMBERS OF RECORD

For the purpose of determining the Members of record entitled to notice in connection with a vote to be taken at any meeting of the Members, or in order to make a determination of the Members of record for any other proper purpose, the Club's roster as of three (3) days prior to the sending of the notice shall be used. Such determination shall apply to any adjournment or continuance of such meeting. Members designated by entity Membership Holders pursuant to Article XI, Section 11.07 and Designated Users shall be deemed Members of record with voting rights for purposes of Articles IV and V.

4.07 ACTION WITHOUT MEETINGS

Any action which may be taken by Members at a meeting may be taken after notice has been given, but without a meeting or a vote, if (a) the action is taken by Members entitled to vote who have no less than the minimum number of votes necessary to authorize such action if such action had been taken at a meeting at which all Members entitled to vote were present and voted; (b) the action is approved and evidenced by Members' dated and signed written consents describing the action taken; (c) all of those written consents are signed within ninety (90) days of one another; and (d) the consents are delivered to the Secretary. Notice of any action taken pursuant to this Section 4.07 shall be given to Members no later than fifteen (15) days after the consents are delivered to the Secretary.

4.08 QUORUM

For the purpose of a vote at any meeting of the Members, the presence, either in person, electronically or by proxy, of Members having at least fifty (50%) percent of the total number of votes then entitled to be voted shall constitute a quorum. Any properly noticed meeting at which a quorum has failed to have been attained may be adjourned for a period no longer than ninety (90) days. Notice of an adjourned meeting shall be sent to each Member then entitled to vote in the manner provided by Section 4.04 and may be posted in the manner provided by Section 4.04. A quorum is not necessary at any meeting where a vote will not be taken.

4.09 VOTING

- a. Voting shall be by written ballot unless action is taken by written consent pursuant to Section 4.07. The Board may direct that voting be conducted by secret mailed ballot, paper ballot or by such other means and such other procedures determined by the Board, in its sole discretion, as adequate to preserve the integrity of the voting process. Members may vote in person, electronically or by proxy at any meeting of the Members. A majority of votes cast, in person, electronically and by proxy, is necessary for passage of any motion or proposition, except as provided in subparagraph (d) of this Section

4.09 and Article V, Section 5.05. In the event a Membership is held in the name of a corporation, partnership, limited liability company, trust or other entity other than by one or more natural persons, such entity, to be eligible to vote, must submit to the Secretary a written notice identifying each person having the authority to vote for such Membership. Only a Member In Good Standing as of the record date for a vote as set forth in this Article IV, and as of the date of such vote, is eligible to cast such vote. Proxy and electronic voting are permitted only under the form(s) and procedure(s) as determined by the Board of Governors.

- b. Each Member In Good Standing shall be entitled to vote on all matters to be voted on by the Membership. Each Golf Membership vote shall count as two (2) votes, each Golf “X” Membership vote shall count as one (1) vote, each Social Membership vote shall count as one (1) vote and each Non-Equity Social Membership vote shall count as one-half (1/2) vote.
- c. In respect to voting by Golf Members (excluding Golf “X” Members), if any issue to be voted upon requires one voting decision only (example: a “yes” or “no” vote) both votes must be cast in the same manner either for or against the proposition. On all other issues, including elections of Governors, the votes may be divided subject only to the prohibition against Cumulative Voting.
- d. Any vote to be taken involving i) a merger or consolidation of the Club with an external entity; ii) a sale, lease, exchange transfer or other disposition of all or substantially all of the Club’s assets; or iii) a voluntary dissolution of the Club, shall require a seventy-five (75%) vote of all the votes the entire Membership could then cast or such greater percentage or number of votes as required by law. This subparagraph (d) of this Section 4.09 shall not apply to voting requirements in respect to any proposal for merger of the Club with the Stonebridge Golf and Country Club of Boca Raton Property Owners’ Association, Inc.

ARTICLE V BOARD OF GOVERNORS

5.01 NUMBER OF GOVERNORS

The government and administration of the affairs and the property of the Club shall be vested in the Board of Governors. The Board of Governors shall consist of nine (9) Members and shall be elected by the Members.

5.02 ELECTIONS

- a. To stand for election a Member must submit a letter of candidacy and resume to the Board of Governors not less than forty-five (45) days prior to the Annual

Meeting. The Board of Governors will forward to the Membership only those resumes of candidates who are (i) In Good Standing and (ii) have been resident Members for one (1) year. Members who stand for election must remain In Good Standing throughout their candidacies and at the time of election.

- b. There shall be no Cumulative Voting. Any ballot or written consent pursuant to Section 4.07 submitted with Cumulative Voting shall be invalid unless and until superseded by a valid ballot or written consent.
- c. The receipt of Members' votes constituting no less than fifty (50%) percent of the total number of votes then eligible to be voted shall constitute a quorum for purposes of any election for the Board of Governors. Failure to achieve a quorum will result in an automatic fourteen (14) day extension of the voting period.
- d. The number of candidates necessary to fill the number of vacancies on the Board shall be elected. If more candidates stand for election than vacancies exist on the Board, the candidate receiving the highest number of votes shall be elected to the vacancy having the longest term of office, and this process shall be repeated until all vacancies are filled. By way of example, if the Board has four vacancies, three due to the expiration of Governors' three year terms and the fourth vacancy created by a Governor's resignation at the end of the second year of his or her term, and five candidates stand for election, the three candidates receiving the three highest number of votes will be elected to the vacancies having three year terms, the candidate receiving the fourth highest number of votes will be elected to the vacancy having a one year term and the fifth candidate will not be elected.

5.03 TERM

Each year prior to the end of the Fiscal Year, the Members entitled to vote shall elect 1/3 of the Governors of the Board to serve three (3) year terms. At that election, the Members entitled to vote shall also elect the number of Governor(s) necessary to fill any vacanc(ies) created by the death, resignation or removal of Governor(s) during the period following the last election, whether or not those vacancies have been filled. No Governor shall serve on the Board for more than six (6) consecutive years, except that if he or she is filling a vacancy created by a Governor's death, resignation or removal, that Governor may serve for up to seven (7) consecutive years. A Governor who has served his or her maximum number of consecutive years shall not be permitted to serve on the Board again without remaining off the Board for at least one (1) year.

5.04 PAST PRESIDENTS

Past Presidents may serve as ex-officio members of the Board of Governors at the sole discretion of the President (absent voting privileges). Past Presidents may chair ad hoc committees and, on an interim basis, fill standing committee chair vacancies caused by resignation or removal from office of that chair.

5.05 BOARD RESIGNATION AND REMOVAL

In the event a member of the Board places his or her Property on the market for sale, the taking of such action shall be deemed an automatic resignation of that individual as a member of the Board of Governors as well as any committee chairmanship held by such Board member. Notwithstanding the foregoing, however, in the event such Board member is in the process of purchasing another Property, the provisions of this Section 5.05 shall not be applicable. If a Governor ceases to be In Good Standing or has been convicted of a Felony Involving Moral Turpitude or Dishonest Dealing, the Governor shall be deemed to have resigned as a Governor and from any position as a committee chair.

A recall vote by the Membership to remove one or more Governors may be requested by (a) the vote of two-thirds (2/3) of the Board, excluding the Governor(s) whose removal is under Board consideration, or (b) a petition signed by Members holding at least twenty-five percent (25%) of the total number of votes entitled to be cast. The President shall cause a Special Meeting of the Members to be convened within sixty (60) days of receiving such request. At the Special Meeting of the Members, the affected Governor(s) may be removed from the Board by Members holding a majority of the total number of votes entitled to be cast.

ARTICLE VI MEETINGS OF BOARD OF GOVERNORS

6.01 ANNUAL MEETING OF BOARD OF GOVERNORS

Each year the Annual Meeting of the Board of Governors shall be held to elect Officers and to consider any other matters that may be properly brought before the meeting. The Annual Meeting of the Board of Governors shall be held no later than thirty (30) days after the election of Governors. The first order of business at this meeting shall be the election of the incoming President and other Officers. The outgoing President shall preside over this meeting until such time as the incoming President is elected.

6.02 QUORUM

A majority of the Board of Governors shall constitute a quorum at any meeting for the transaction of business. Telephonic, videoconference or similar remote electronic participation will be permitted.

6.03 REGULAR MEETINGS

The Board of Governors shall meet on a regular basis as determined by the Board. Except as otherwise expressly provided in these By-Laws, a majority of the votes cast is necessary for passage of any motion. The Board of Governors shall convene nine (9) Regular Meetings in each Fiscal Year unless the Board resolves to hold a different number of Regular Meetings. In no event, however, shall the Board convene less than six (6) Regular Meetings in each Fiscal Year. Regular Meetings shall be held at such times and places as the Board of Governors shall determine in its sole discretion.

6.04 SPECIAL MEETINGS

Special Meetings of the Board of Governors may be called at any time by the President or any three Governors, subject to the notice provisions of Section 6.05.

6.05 NOTICE; PLACE OF MEETINGS

Notice of any meeting of the Board of Governors shall be given at least five (5) days prior to the scheduled date of the meeting by written notice electronically transmitted to each Governor at his or her electronic address as shown by the records of the Club, except that at no Special Meeting of Governors may any Governor be considered for removal unless written notice of the proposed removal is transmitted to all Governors at least twenty (20) days prior to such meeting. Notice of any Special Meeting of the Board of Governors may be waived by delivery of a written "Waiver of Notice of Meeting" signed by the person or persons entitled to the notice either before or after the time of the meeting or by a Governor's joinder in the minutes of the meeting by his or her signature thereon. The attendance of a Governor at any meeting shall constitute a waiver of notice of such meeting, except where a Governor attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these By-Laws. All meetings shall be held on Club premises unless another location shall be approved by a majority of the Board of Governors.

6.06 MINUTES OF MEETINGS

Minutes of all meetings of the Board of Governors shall be taken reciting the business transacted except for the identities of Members and others who are not In Good Standing or involved in disciplinary proceedings, employees' salaries and personnel records and matters transacted in executive session. Copies of all minutes shall be transmitted electronically to Members (which shall serve as transmittal of copies to all Designated Users and entity Membership Holders) and made available to Members at the Club in hard copy and electronically on the Club's website. Minutes shall be preserved as permanent Club records.

ARTICLE VII POWERS OF THE BOARD OF GOVERNORS

7.01 MANAGEMENT OF THE CLUB

The Board of Governors shall exercise all powers of the Club and is authorized to take any action necessary to carry out the purposes of the Club as set forth in Article II of these By-Laws and the Articles of Incorporation. The government and management of the affairs and the property of the Club shall be vested in the Board of Governors.

7.02 DUTIES AND POWERS

The Board of Governors shall have the power to:

- a. Elect and remove the Officers;
- b. Within sixty (60) days of a vacancy on the Board of Governors due to death, resignation, removal by the Board of Governors, inability to perform duties or otherwise, fill such vacancy until the next election of Governors by the Members;
- c. Appoint the General Manager and delegate such authority to the General Manager as is considered necessary by the Board of Governors for the proper operation and management of the Club;
- d. Delegate general authority to hire and terminate the employment of Club employees to such person(s) and upon such terms as the Board may determine from time to time in its sole and absolute discretion;
- e. Adopt, alter, amend or repeal the General Club Rules governing the Club, its Members and Memberships and the use of the Club and all the Club Facilities by Members, Designated Users, entity Membership Holders, Significant Others, and their families, guests and lessees and by Associates;
- f. Establish, upon a majority vote of the entire Board of Governors, the annual budget, a Schedule of Fees, the amount of the Membership Contribution for each category of Membership, the terms of payment of any amounts owed to the Club and the amount of dues, fees, assessments and other charges; and the operating budget, or summary thereof, for the oncoming Fiscal Year. Notwithstanding the foregoing, in any Fiscal Year, the Board shall not decrease the amount of the Membership Contribution's equity contribution component for any Membership category by more than twenty percent (20%) over the prior Fiscal Year's amount unless such decrease is approved by the Membership. The contemplated dues, fees and charges for each category of Membership shall be

provided to the Members no less than thirty (30) nor more than sixty (60) days prior to the start of the Fiscal Year;

- g. Remove, upon a two-thirds (2/3) vote of all Governors, any Governor who shall fail to substantially attend three (3) consecutive or at least sixty percent (60%) of the Regular Meetings of the Board of Governors in any six (6) month period;
- h. Subject to the limitation on expenditures set forth in subparagraph j. of this Section 7.02, expend funds, make contracts to borrow money and incur indebtedness on behalf of the Club, and cause promissory notes, bonds, mortgages or other evidences of indebtedness to be executed and issued;
- i. Assess for any operating deficit in the year in which it occurs, an amount not to exceed ten (10%) percent of annual dues per Membership and prescribe the time and manner of payment thereof. Assessments in respect to operating deficits in an amount greater than ten (10%) percent of the annual dues per Membership must be submitted to the Members for approval at a Regular or Special Meeting of the Members or in the manner permitted by Section 4.07;
- j. Assess and expend funds for capital expenditures in an amount not to exceed two and one-half (2 and 1/2%) percent of the previous Fiscal Year's Gross Receipts for any single project and not to exceed eight (8%) percent of the previous Fiscal Year's Gross Receipts in the aggregate in any Fiscal Year for all projects. Lease payments incurred with respect to items which are considered capital expenditures shall be included in the aggregate amount of capital expenditures for the Fiscal Year in which paid. Capital expenditures beyond the aforementioned amounts may be made only upon approval of the Membership at a duly convened Regular or Special Meeting of the Membership or in the manner permitted by Section 4.07;
- k. Notwithstanding the restrictions on expenditures set forth in subparagraphs i. and j. above, assess the Membership for repair or replacement of Club property due to damage caused by a natural disaster, including but not limited to hurricane, fire or similar occurrence. Such assessment would cover shortfalls that resulted from insurance limits and deductibles only and is not included in the foregoing annual limitations;
- l. Enter into reciprocal agreements and arrangements with other clubs;
- m. Discipline and suspend Members, Designated Users and entity Membership Holders and Associates for reasons of health, safety, welfare or any other valid reason as determined by the Board in its sole discretion;
- n. Notwithstanding the provisions of Article X of these By-Laws, create, merge, split and eliminate committees of the Board, determine their scope and

composition and assign duties to them as the Board may determine in its sole discretion from time to time; and

- o. Engage in such other acts as are permitted by the laws of the State of Florida and the United States with respect to not-for-profit corporations, as those laws now exist or as they may hereafter be enacted.

7.03 ISSUANCE OF MEMBERSHIPS AND ASSOCIATE AGREEMENTS

The Board of Governors shall have the authority to issue, suspend and transfer Memberships, and to enter into, suspend and cancel agreements with Legacy Associates and Annual Non-Resident Associates. The Board of Governors shall have Membership Certificates prepared in form and content consistent with the provisions of the Articles of Incorporation and these By-Laws.

7.04 COMPENSATION

No Governor shall receive a salary or any other compensation whatsoever for service as a Governor, but shall be entitled to reimbursement for all expenses reasonably incurred in performing any duties pursuant to these By-Laws.

7.05 CONFLICTS

Whenever a Governor or Officer has a financial or personal interest, directly or indirectly (such as through a family member or an entity with which he, she or they are affiliated), in any matter coming before the Board or desires to transact with the Club as a vendor, purchaser or otherwise, the affected Governor or Officer shall a) fully disclose the nature of the interest in the matter or transaction and b) abstain from discussion, lobbying and voting on the matter or transaction. Any transaction or vote involving a conflict or potential conflict of interest shall be approved only when a majority of disinterested Governors determine that it is in the best interest of the Club to do so. The minutes of meetings at which such votes are taken shall record such disclosure, abstention, the votes cast and the Board's rationale for its determination.

7.06 INTERPRETATION OF BY-LAWS

The Board of Governors shall have the power to do everything permitted by not-for-profit corporations by law, statute, its Articles of Incorporation and these By-Laws, and to determine the interpretation and construction of its Articles of Incorporation, these By-Laws, General Club Rules and any other Membership or Associate document, or any parts thereof, and to resolve any allegedly doubtful, allegedly ambiguous or allegedly conflicting language of any of the foregoing documents, and the Board's decision shall be final and conclusive.

7.07 ACTION WITHOUT MEETINGS

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

ARTICLE VIII OFFICERS

The Board of Governors at its Annual Meeting shall elect from among its members to serve for a term of one (1) year, and until their successors shall be elected, a President, Vice President, Treasurer and Secretary, and such other Officers as the Board of Governors may from time to time deem appropriate. A Governor may not serve in more than one office at a time.

ARTICLE IX DUTIES AND QUALIFICATIONS OF OFFICERS AND GENERAL MANAGER

9.01 PRESIDENT

The President shall preside at all meetings of the Members and the Board of Governors and shall enforce observance of the provisions of these By-Laws and all General Club Rules. The President may call Special Meetings of the Board of Governors, shall be an ex-officio member of all committees and is empowered to execute all papers and documents requiring execution in the name of the Club.

9.02 VICE PRESIDENT

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

9.03 SECRETARY

The Secretary shall keep, or cause to be kept, records and minutes of all meetings of the Board of Governors and the Members, and the Secretary shall be responsible for giving all required notices of meetings. The Secretary shall have custody of the seal of the Club and all Membership records shall be kept under the Secretary's supervision.

9.04 TREASURER

The Treasurer shall be chairperson of the Finance Committee. The Treasurer shall cause to be collected, held and disbursed, under the direction of the Board of Governors, all monies of the Club, and it shall be the Treasurer's duty to collect monies due the Club from the issuance of Memberships, dues and charges of Members and Associates, and all other amounts due from Members, Associates or others. The Treasurer shall keep or cause to be kept, at the Club, regular books of account and all financial records of the Club, and shall prepare or cause to be prepared budgets and financial statements, when and in the form requested by the Board of Governors. The Treasurer shall deposit or cause to be deposited all monies of the Club in an account or accounts in the Club's name, in the bank or banks designated by the Board of Governors.

9.05 OFFICE VACANCIES

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

9.06 OTHER DUTIES OF OFFICERS

Any Officer may be given additional assignments and duties by the Board of Governors.

9.07 REMOVAL FROM OFFICE

Any Officer who ceases to be a Governor shall automatically cease to be an Officer. Any Officer may be removed from office, with or without cause, by no less than a two-thirds (2/3) vote of all the members of the Board of Governors.

9.08 GENERAL MANAGER

The General Manager shall serve at the pleasure of the Board and shall exercise those executive responsibilities for the day-to-day operation and management of the Club as the Board may generally delegate from time to time, including but not limited to the hiring, overall supervision and termination of employment of Club personnel, the proper management and coordination of the Club's activities so as to maximize Membership satisfaction while maintaining a sound financial operation, the security and protection of the Club's assets and Club Facilities and communications with the Board, committees, Members, Associates and Club personnel as necessary to accomplish the goals and objectives of the Club.

ARTICLE X COMMITTEES

10.01 EXECUTIVE COMMITTEE

The Executive Committee shall consist of the President as chairperson, the Vice President, the Secretary and the Treasurer. Actions and resolutions shall require unanimous approval of Executive Committee members. The Executive Committee may act on Club matters only when it is not practical to convene a meeting of a quorum of the Board in a timely manner. Minutes shall be taken at all Executive Committee meetings and shall be submitted to the Board at the Board's next meeting. Any actions taken and resolutions approved by the Executive Committee shall be presented to the entire Board at its next meeting for consideration and ratification, if appropriate. Notwithstanding the foregoing, in situations determined by the President to be an emergency and after a good faith, but unsuccessful, effort to convene a meeting of the Board, actions taken by the Executive Committee shall be considered the actions of the Board.

10.02 STANDING COMMITTEES

No more than thirty (30) days after the Annual Meeting of the Board of Governors, the President, subject to the approval of the Board of Governors, shall designate the chairperson (who shall be a Governor) of each of the standing committees, unless these By-Laws specify which Governor shall chair a committee. At the present time, the standing committees are:

Membership
Finance
Audit
Grievance
Legal
Marketing
Strategic Planning

House
Property and Facilities
Golf and Green
Fitness, Pool and Tennis

The chairperson, subject to the approval of the Board, shall designate the vice chair(s) and members of their individual committees. Committees shall have a minimum of three (3) members unless otherwise indicated in these By-Laws or otherwise approved by the Board of Governors. Only Members In Good Standing, their spouses, Associates In Good Standing, Designated Users In Good Standing and Significant Others are eligible to serve on committees. Committee members may be removed and/or replaced at the discretion of the committee chairperson. Minutes shall be kept for all meetings. All committees shall follow the Committee Rules and Procedures as established by the Board.

- a. **The Membership Committee** shall consult on Applications for Membership submitted to the Club and, where applicable, shall advise the Board at its next regularly scheduled meeting of matters relating to applicants. The Membership Committee shall also be responsible for all general

communications to the Members and shall advise the Board of Membership programs, activities and functions.

- b. **The Finance Committee**, which is chaired by the Treasurer pursuant to Section 9.04 of these By-Laws, shall, in general, review all matters pertaining to the Club's finances including, but not limited to, the placing of insurance, the filing of tax returns, the payment of taxes, the preparation of the annual budget and the preparation of the monthly reports for the Board of Governors on the Club's financial condition. The Finance Committee shall report thereon to the Board of Governors with its comments as they relate to the Club's finances. The account books and vouchers shall at all times be open to inspection by any member of the Board of Governors. In addition, the Finance Committee shall, in support of the Audit Committee, review the internal accounting processes and establish and execute a program to ensure the reliability of the financial statements. The Committee shall review all necessary data and systems to test the adequacy of the controls of all financial transactions and will make independent and surprise reviews of the receiving, ordering and recording processes that form the basis of the financial reports.
- c. **The Audit Committee** shall consist of the President, Treasurer, Vice President and chairperson of the Legal Committee. The Audit Committee must have at least one member who shall be designated as a financial expert as described by the AICPA. The committee will advise the Board on approving all audit and non-audit services, including the hiring of the external auditors. Upon receipt of reports from external auditors it will meet with them for the purpose of discussing audit findings, as well as reviewing internal auditing work plans submitted by the Finance Committee, and reviewing annual financial statements and budgets.
- d. **The Grievance Committee** shall consist of no less than three (3) members whose chairperson shall be a Board member. All written complaints relative to the conduct of any Member, Designated Users, Significant Others, or their family members, guests, lessees or contractors or any Associates or their guests shall be referred to the Grievance Committee. The Grievance Committee shall perform investigations as it deems necessary in accordance with the procedures set forth in Article XV, Section 15.02 and Article XVI, Section 16.02, subparagraph c., and shall present its recommendation to the Board of Governors. The individual performing the initial investigation and/or gathering evidence shall be a member of the Board of Governors. The Grievance Committee shall have no power of suspension or expulsion, but may have such powers of reprimand as may be authorized by the Board of Governors.
- e. **The Legal Committee** shall advise and assist the Board and the General Manager in reviewing, evaluating and addressing all matters of a legal nature pertaining to the Club with the assistance of the Club's counsel, as needed.

The Legal Committee shall further be charged with providing recommendations regarding the publication and modification of the General Club Rules and any other regulations including these By-Laws. The Legal Committee may have a By-Laws subcommittee for regular major reviews of the Club Rules and By-Laws to accomplish these purposes.

- f. **The Marketing Committee** shall advise and make recommendations to the Board on all matters concerning the marketing of the Club to the public at large, including prospective Members and Associates, realtors and mass media.
- g. **The Strategic Planning Committee** shall advise and make recommendations to the Board on the long range plan for capital improvements to the Club, including the assignment of priorities within such plan and on matters concerning risk management and control, and shall undertake such other duties as may be requested by the Board.
- h. Each of the following operational committees, subject to the approval of the Board of Governors, shall formulate programs and submit them with recommendations to the Board for approval. Each committee shall act only as a consultant and advisor to the Board.

- (i) **House Committee**

The House Committee shall advise the Board of Governors on matters concerning the food and beverage operations, the social activities and entertainment of the Members, their families and their guests. The House Committee may have sub-committees for Food and Beverage (including catering) and activities and entertainment (including Club events, activity center, children's programs and outside functions).

- (ii) **Property and Facilities Committee**

The Property and Facilities Committee shall advise the Board of Governors on matters concerning the maintenance and repair of all buildings, repair of all water and electrical lines and the facilities and equipment used in connection therewith, except those directly related to and concerning the maintenance or repair of the golf course. Major construction and long-range planning shall be handled by an ad hoc committee.

- (iii) **Golf and Green Committee**

The Golf and Green Committee shall advise the Board of Governors on matters concerning golf operations, the maintenance of the golf course, cart paths, roads and other golf-related facilities and equipment,

the promulgation of playing rules for Members, their families and their guests, the programming of golfing events for Members, their families and guests and the maintenance of Members' handicaps. United States Golf Association rules and regulations shall govern all golf play except where superseded by local rules. The Golf Committee may have sub-committees to advise on matters concerning the operation and maintenance of the pro shop, tournament schedules and formats and other matters concerning utilization of the golf course. No major alteration shall be made in the golf course or its physical layout without the express approval and authorization of the Board of Governors.

(iv) **Fitness, Pool and Tennis Committee**

The Fitness, Pool and Tennis Committee shall advise the Board of Governors on matters concerning the fitness and pool operations and the programming of events at the pool and fitness center for Members, their families and their guests as well as matters concerning the tennis operations, the promulgation of playing rules for Members and their guests and the programming of tennis events for Members and their guests. The Committee shall advise the Board of Governors on the condition of, and make recommendations concerning, the tennis courts and related equipment and facilities. The Committee shall refer all matters concerning the maintenance and repair of the facilities to the Property and Facilities Committee and/or the Board of Governors.

10.03 AD HOC COMMITTEES

The President, subject to the approval of the Board of Governors, may, from time to time, appoint ad hoc committees, determine the powers and composition of the ad hoc committees and the term of ad hoc committee chairpersons and members, and replace ad hoc committee chairpersons or members at any time, with or without cause.

10.04 POWERS OF COMMITTEES

The several committees shall act only as advisory committees to the Board of Governors, and the individual members thereof shall have no power or authority. The chairperson of each committee may appoint from the members of the committee vice-chairs to chair sub-committees comprised of such number of committee members as deemed desirable. All sub-committees shall report directly to the committee as a whole, which shall approve, amend or disapprove the report of the subcommittee.

10.05 TERMS OF COMMITTEE CHAIRPERSONS AND COMMITTEE MEMBERS

Each committee chairperson and each member of a committee shall serve until the earliest of the next appointment of committees, resignation, termination or removal of the member or until their replacement is designated as provided in these By-Laws.

ARTICLE XI MEMBERSHIP AND NON-MEMBER ASSOCIATES

11.01 CATEGORIES OF MEMBERSHIPS

Owners of Property shall maintain, and prospective purchasers of Property shall acquire at the time of purchase and maintain, one of the following two categories of Membership in the Club, **(i) Golf Membership** or, subject to availability, **(ii) Social Membership**. Golf Membership and Social Membership each represent ownership in the Club and entitle the Member In Good Standing to vote on various Club matters. Although Memberships may be held in joint names where authorized by this Article XI, only one (1) Membership is permitted for each Property. One category of Membership obtained without a Membership Contribution's equity contribution component remains in the Club, which is no longer offered, the Non-Equity Social Membership.

11.02 GOLF MEMBERS

- a. **Golf Membership** shall be offered to the owners of Properties, and in the case of prospective purchasers, upon the receipt of evidence of a pending purchase of a Property. Upon compliance with the applicable provisions of this Article XI and the General Club Rules, payment of the required Membership Contribution for Golf Membership and any other required fees to the Club, and, in the case of a prospective purchaser, the closing of title to the Property, the applicant shall become a Golf Member, and the Club will issue a Golf Membership Certificate to the Member.
- b. **Golf Members** shall be fully participating and entitled to access to and use of all of the Club Facilities in accordance with and subject to these By-Laws and the General Club Rules as they may be amended, modified or repealed by the Board of Governors from time to time.
- c. **Golf Members** who have paid dues and charges in this category for at least two (2) years and are current in payment of all financial obligations to the Club may apply to step down their Golf Membership to a **Golf "X" Membership**. This application must be submitted in writing. Step downs will be permitted under the following criteria, and will become effective at the beginning of the Fiscal Year following the completion of the step down:

- (i) The step down of the applying Member would not reduce the total number of Golf Memberships, excluding Golf “X” Memberships, to less than two hundred fifty (250).
 - (ii) The Club shall maintain a waiting list for Golf Members who apply to step down to a Golf “X” Membership at a time when the total number of Golf Memberships, excluding Golf “X” Memberships, is less than two hundred fifty (250). When this number again increases to two hundred and fifty (250), priority will be given to the Golf Member on the waiting list who has been a Golf Member for the longest period of time. Priority for equal tenure will be decided by lottery.
- d. As a condition to the sale of a Golf or Golf-X Member’s Property to a third party purchaser, which sale includes the sale of the Member’s golf equity, the purchaser shall be required to become a **Golf Member**. Any anticipated step down of the purchaser’s Golf Membership to a Golf “X” Membership is subject to the applicable sections of this Article XI.

11.03 SOCIAL MEMBERS

- a. **Social Membership** shall be offered to the owners of Properties, other than those who are **Golf Members**, and in the case of a prospective purchaser , upon the receipt of evidence of a pending purchase of a Property, provided the acceptance of such an offer will not cause the number of Social Memberships to exceed one hundred forty-eight (148). Upon compliance with the applicable provisions of this Article XI and the General Club Rules, and subject to the availability of Social Memberships, payment of the required Membership Contribution for Social Membership and any other required fees to the Club, and, in the case of a prospective purchaser, the closing of title to the Property, the applicant shall become a Social Member, and the Club will issue a Social Membership Certificate to the Member.
- b. **Social Members** shall be fully participating Members of the Club and entitled to full use of all of the Club Facilities other than the golf course, except as may be otherwise authorized by the Board of Governors, in accordance with and subject to these By-Laws and the General Club Rules as they may be amended, modified or repealed by the Board of Governors from time to time.
- c. Social Members may convert their Memberships to Golf Memberships as provided in Section 11.08.
- d. As a condition to the sale of a **Social Member’s** Property, the purchaser shall be required to become a Member of the Club as provided in Section 11.10 of Article XI.

11.04 ANNUAL NON-MEMBER, NON-RESIDENT ASSOCIATES

The Club may enter into non-equity, non-transferable annual agreements with individuals who are not Property owners and have completed and submitted an Application for Associate Agreement satisfactory to the Club. The rights, privileges and obligations of such Annual Non-Resident Associates will be determined by the Board of Governors from time to time. Annual Non-Resident Associates may be required to pay a deposit and such annual dues, fees and charges as determined by the Board of Governors from time to time. Annual Non-Resident Associates' rights and privileges shall be limited to the use of Club Facilities to the extent set forth in their annual agreements with the Club. Annual Non-Resident Associates may attend Membership meetings but may not vote on any Club matters, nor serve as a Governor or Officer. Annual Non-Resident Associates have no ownership interest in the Club or Club Facilities and shall not be Members. The Annual Non-Resident Associate's agreement with the Club and his or her rights under that agreement cannot be transferred or assigned by the Associate. Property owners who reside in Stonebridge may not and shall not become Annual Non-Resident Associates.

11.05 FAMILY PRIVILEGES

The Immediate Family of a Member In Good Standing will be entitled to use the Club Facilities in accordance with the Member's Membership category. The Member is responsible for his or her Immediate Family's charges and costs and their conduct, including their adherence to Club Rules and Regulations. An unmarried Member In Good Standing may extend his or her privileges to use of the Club Facilities to his or her Significant Other by designating the Significant Other in writing, to the Secretary of the Club. Only one (1) Significant Other may be designated in any Fiscal Year. The designation of a Significant Other may be terminated by the Member at any time by delivery of a written notice to that effect to the Club Secretary. The Member is responsible for all of the Significant Other's charges and costs and the Significant Other's conduct, including adherence to Club Rules and Regulations. The Member's Significant Other designation shall be subject to approval of the Board of Governors, which approval shall not be unreasonably withheld.

Notwithstanding the foregoing, the rights and privileges afforded by this Section 11.05 are further defined and limited, and may be modified or rescinded, in the General Club Rules, as established by the Board from time to time.

11.06 DISCONTINUED MEMBERSHIP CATEGORIES; NAMES OF CATEGORIES AND ASSOCIATES

The following lists Membership categories as defined in the Club By-Laws dated March, 2007 and June 3, 2008, that have been re-named or modified, and, in certain cases, shall no longer be available to Members or prospective Members. The following also lists the Associate categories

- a. Proprietary Golf Memberships: This category of Membership has effectively been re-named “**Golf Membership**” as referred to in Section 11.02 of this Article XI.
- b. Proprietary Social Memberships and Tennis/Social Memberships: These categories of Membership have effectively been re-named “**Social Membership**” as referred to in Section 11.03 of this Article XI.
- c. Golf “X” Memberships: This subset of Golf Membership is treated as though it were a Social Membership for purposes of (i) voting, (ii) the amount of annual dues and monthly service charges (which are assessed at the Social Member rate for Golf “X” Members), (iii) the use of Club Facilities (which are limited to those set forth in Section 11.03, subparagraph b.), and (iv) the inapplicability of the step down provisions of Section 11.02, subparagraph c. For all other purposes, a Golf “X” Member is a Golf Member and owns a **Golf Membership**, including but not limited to (A) his or her Membership Contribution at the Golf Membership rate, (B) his or her capital assessment at the Golf Membership rate, (C) the sale of his or her golf equity, and (D) the resignation and transfer of his or her Golf Membership.
- d. Non-Proprietary Annual Members: This non-voting, non-equity, non-transferable and non-resident category has effectively been re-named “**Annual Non-Resident Associates**” as referred to in Section 11.04 of this Article XI. This is not a Membership category.
- e. Permanent Non-Proprietary Resident Social Memberships: This category of Membership has effectively been re-named “**Non-Equity Social Members**”. This category of Membership is no longer available to new or prospective Members and is comprised only of those Members in that Membership category as of June 3, 2008 who have retained Membership in the Club by continuing at all times to reside in Stonebridge. Moving out of Stonebridge will effectively cancel and revoke the former resident’s Membership in the Club. Members of this category In Good Standing are entitled to full use of the restaurant, pool, fitness center and other social facilities of the Club except the use of tennis and golf facilities. All **Non-Equity Social Members** shall have the same financial obligations to the Club as **Social Members**. This category of Membership is not transferable by sale, assignment, inheritance or otherwise. Any subsequent purchaser of a Property in which this category of Member resides must acquire, by purchase from the Club, a Golf Membership or, subject to availability, a Social Membership.
- f. Legacy Associates: This is a non-voting, non-transferable and non-resident Associate category reserved for former Members who qualify. The criteria for this association to the Club and the privileges and responsibilities, including financial obligations, of Legacy Associates shall be determined by the Board from time to time. Individuals who qualify to become Legacy Associates may

apply by completing and submitting an Application for Associate Agreement satisfactory to the Club. Legacy Associates' rights and privileges shall be limited to the use of Club Facilities to the extent set forth in their annual agreements with the Club. A former Member will not forfeit any amounts due him or her from the Club on account of his or her resigned or sold Membership merely by becoming a Legacy Associate.

11.07 FORM OF OWNERSHIP

The rights applicable to a Membership shall be held by only one (1) natural person, subject to the exceptions permitted in this Section 11.07. For the convenience of Members and to facilitate the acquisition of a Membership:

- a. A Membership may be held jointly in the names of two (2) natural persons who are married to one another and who hold or, upon purchasing a Property, will hold title to the Property as joint tenants with rights of survivorship or as tenants by the entirety. Both such persons shall be Members entitled to vote the Membership.
- b. A Membership may be held jointly in the names of no more than two (2) natural persons who are not married to one another, who may customarily, but need not, reside together (such as significant others, siblings or parent and child) and who hold or, upon purchasing a Property, will hold title to the Property jointly in both their names with rights of survivorship. Persons meeting these criteria and satisfying the requirements set forth in these By-Laws and such other criteria and requirements established by the Board may receive a Membership Certificate issued in their joint names. The two persons must jointly designate to the Club which one of them will be the Member with full privileges of his or her Membership category. The other person will be deemed the Designated User with full privileges of the Member's Membership category, except that the Designated User's immediate family shall not be included in the defined term "Immediate Family" and shall not qualify for family privileges under Section 11.05. (The Designated User's family shall qualify, however, for guest privileges under Article XII.) The privileges extended to a Designated User may be further limited as provided at the end of this Section 11.07. The Member and the Designated User shall each be bound by the terms and conditions of these By-Laws and the General Club Rules, and they shall be legally responsible, jointly and severally, for all their obligations to the Club. This subparagraph b. shall not be used to circumvent the Club's policies and requirements on such matters as leasing, sale and transfer of Memberships and limiting who may qualify for family privileges under Section 11.05.
- c. A Membership may be held in the name of a corporation, partnership, trust or other form of ownership (each "entity") provided that (i) the entity owns the Property, (ii) under the terms of the entity, no more than one (1) natural

person (no more than two (2) natural persons if they are married to one another or customarily reside together) may exercise Membership privileges and obligations at any given time, (iii) at least one of these natural person(s) resides or will reside on the Property, this/these natural person(s) has substantial and legitimate affiliation to the entity and (iv) the entity satisfies such other requirements as the Board may establish.

For family or estate planning purposes, a Membership issued to a natural person or in the joint names of two (2) natural persons pursuant to Section 11.07, subparagraphs a. or b., may be transferred from him, her or them to an entity, provided that (A) the entity owns the Property, (B) under the terms of the entity, no more than two (2) natural persons may exercise Membership privileges and obligations at any given time, subject to the limitations noted below, (C) at least one of the transferor(s) continues to reside on the Property, (D) the transferors continue to have substantial and legitimate affiliation to the entity and (E) the transferors and the entity satisfy such other requirements as the Board may establish. An entity whose Membership is obtained by transfer pursuant to the immediately preceding sentence of this Section 11.07, subparagraph c., shall not be required to pay an additional Membership Contribution. In acquisitions and transfers meeting these criteria and satisfying the requirements set forth in these By-Laws and such other requirements as the Board may establish, the Membership Certificate may be issued in the name of the entity.

The entity must provide the Club with a breakdown of the entity's ownership and designate in writing the natural person(s), not to exceed two (2), who shall enjoy Membership privileges. These person(s) must have substantial and legitimate affiliation to the entity and at least one of them must reside on the Property. The entity shall designate in writing the person who resides on the Property as the Member with full privileges of his or her Membership category and may designate in writing the second person as the Designated User, with full privileges of the Member's Membership category, except that the Designated User's immediate family shall not be included in the defined term "Immediate Family" and shall not qualify for family privileges under Section 11.05. (The Designated User's family shall qualify, however, for guest privileges under Article XII.) The privileges extended to a Designated User may be further limited as provided at the end of this Section 11.07. Both the Member and the Designated User shall be entitled to vote the Membership. The entity, the Member and the Designated User shall each be bound by the terms and conditions of these By-Laws and the General Club Rules, and they shall be legally responsible, jointly and severally, for all their obligations to the Club. Subject to approval of the Board or its designee, the entity may change its designation of which of these two natural persons is the Member and which is the Designated User, provided the person who becomes the Member resides on the Property. The Board of Governors may limit the

number of times the entity may make this change and establish other requirements and limitations for such a change.

An entity Membership Holder shall be required to notify the Club of any changes in ownership of the entity or the Property. If the majority ownership or control of the entity changes to an unrelated person or entity or if, while still alive, the Member, Designated User or both cease to have a substantial and legitimate affiliation to the entity, the Membership will be considered to have been sold and be subject to the transferability provisions of Section 11.11 of this Article. This Section 11.07, subparagraph c., shall not be used to circumvent the Club's policies and requirements on leasing, sale and transfer of Memberships and limiting who may qualify for family privileges under Section 11.05. An example of a transfer circumventing the Club's policies would be if a Member transferred title to his or her Property to a trust of which he or she was trustee, requested the Club to transfer his or her Membership to that trust and then or later, while still alive, caused his or her two children to be designated the trust's Member and Designated User. Another example of a transfer circumventing the Club's policies would be if a Member transferred title to his or her Property to a corporation of which he or she was the shareholder, requested the Club to transfer his or her Membership to the corporation, then or at a later time, while still alive, transferred the corporation's shares to his or her children, and caused his or her two children to be designated the corporation's Member and Designated User. The use of a trust, corporation or other entity does not change the essence of a transfer, and the transfer in these two examples would be Section 11.11 transfers of Property and Membership from a parent to his or her children, triggering the requirements of Section 11.11.

The Board or its designee shall have sole discretion to determine the purpose and bona fides of any transaction under this Section 11.07 and whether to approve (i) the granting of, or change in, a Membership to two (2) natural persons or an entity, (ii) the designation or change in the designation of persons as "Member" and "Designated User", and (iii) the granting of any waivers under this Section 11.07. The exceptions to only one (1) natural person holding a Membership contained in subparagraphs a., b. and c. of this Section 11.07 and the privileges granted and requirements and limitations established in this Section 11.07 are all subject to adoption of rules, regulations and requirements, and the amendment, further limitation and/or repeal of those rules, regulations and requirements, by the Board in its sole discretion from time to time.

11.08 RIGHT TO UPGRADE

Social Members may upgrade to a **Golf Membership**, subject to availability, by paying the difference between the Membership Contribution that is in effect for a **Golf Membership** and the Membership Contribution that is in effect for a **Social Membership** at the time of the upgrade.

11.09 NUMBERS OF MEMBERSHIPS AND ANNUAL NON-MEMBER, NON-RESIDENT ASSOCIATES

The total number of Golf Memberships, Social Memberships and Non-Equity Social Memberships shall be limited to four hundred fifty (450) as of the Effective Date of these By-Laws. The total number of Golf Memberships (including Golf "X" Memberships) shall be limited to three hundred ninety-eight (398), and the total number of Social Memberships shall be limited to one hundred forty-eight (148). A Membership pertaining to a Property that is held in the names of more than one person shall count as a single Membership, regardless of the number of names on the Membership Certificate.

The total number of Annual Non-Resident Associates shall be limited to sixty (60) at any time, of which a maximum of fifty (50) may contract to use the Club Facilities available to Golf Members and a maximum of ten (10) may contract to use the Club Facilities available to Social Members. The Board may limit the number of Legacy Associates from time to time.

11.10 MANDATORY MEMBERSHIP

- a. Any person(s) or entity that acquires a Property shall be required to acquire a Golf Membership or Social Membership. Any person(s) or entity that transfers a Property or from whom a Property is transferred (such as by inheritance or divorce) shall notify the Club in writing of the transfer no later than ten (10) days prior to the transfer.
- b. All prospective Members must submit an Application for Membership. An Application for Membership must be fully completed and must be accompanied by a check or other tender of payment in the amount of the Membership Contribution then in effect, as well as a non-refundable application fee to be established by the Board of Governors from time to time.
- c. After receiving the application materials and the required payment, the Board of Governors will determine or cause to be determined whether the applicant has satisfied the terms and conditions of Membership in the Club. If such applicant has satisfied those terms and conditions, such applicant will be notified, in writing, that the application has been acted upon favorably. If it is determined that such applicant has not satisfied those terms and conditions, such applicant will be notified that the application is deficient and the steps necessary to cure any such deficiencies. Applications for Membership may be rejected for administrative purposes only, unless, pursuant to Stonebridge's Amended and Restated Declaration of Covenants and Restrictions, an applicant shall not be qualified to purchase a Property.

11.11 RESIGNATION AND TRANSFER OF MEMBERSHIP

- a. No Member who is the owner of a Property and holds a Membership of any category in the Club may resign unless and until such Property is conveyed to a purchaser who has acquired a Membership. All Members of any category seeking to resign must submit their resignation in writing, setting forth the name and address of the prospective purchaser of their Property and whether or not the Member intends to sell and the purchaser intends to purchase the Member's Membership Certificate. Upon transfer of the Property the selling Member shall resign and surrender his or her Membership Certificate to the Club Secretary. If a Membership Certificate is being sold by a Golf "X" Member to his or her Property's purchaser, the purchaser will be issued a regular Golf Membership Certificate.
- b. The amount to be paid to the Club by a purchaser of a Membership shall be the amount in effect on the Property's closing date as the Membership Contribution for the Membership category to be purchased.
- c. Upon resignation by a Member, the Membership Certificate will be deemed transferred to the Club. Except for transfers permitted by Section 11.07 c., this Section 11.11 and Section 11.12, any attempted transfer of a Membership Certificate by an owner to any third party shall be void and of no legal effect. A Member who sells his or her Property may direct the Club to transfer his or her Membership Certificate to the purchaser provided (i) such purchaser has submitted an Application for Membership, (ii) shall have been approved for Membership and (iii) shall have paid all amounts required to be paid by new applicants for Membership. Upon satisfaction of the foregoing criteria by the prospective Member, Membership shall be conferred upon him or her, and the Secretary of the Club will cancel the Membership Certificate of the resigned Member and issue a new Membership Certificate to the new Member.
- d. The resigning Member shall surrender his or her Membership Certificate to the Club's Secretary upon the closing of title to the Property and the purchaser's acquisition of a Membership from the Club. If the resigning Member cannot surrender his or her Membership Certificate, the Membership Certificate shall be deemed to have been surrendered, canceled and be null and void. The Club shall not be obligated to pay the resigning Member pursuant to subparagraphs e. and f. hereof for his or her Membership until that Membership has been sold and paid for in full. Sales of resigned Memberships shall be sequenced on the basis of seniority, the first resignation being the first sale, provided, however, that sales of resigned Memberships are permitted only after the sale of those Memberships of which the Club became owner or which the Club has acquired.
- e. Except as otherwise provided in subparagraph 11.11d. above, upon the Club's issuance of a new Membership Certificate to the purchaser of an outgoing

Member's Property, the Club shall promptly remit the amount due the outgoing Member on account of his or her surrendered Membership.

- f. Amounts Due to Prior Member Upon Resignation and Transfer: For purposes of this subsection, "Approval Date" is defined as the date on which the Membership approves this amended subsection 11.11 f.; and "Implementation Date" is defined as the date that is two years after the Approval Date.
- (i) For any former Member who has surrendered his or her Membership to the Club, and whose surrendered Membership has not yet been resold, the amount due to that resigned Member at the time his or her Membership is resold shall be eighty (80%) percent of the amount of the equity contribution component of the Membership Contribution paid to the Club by the new purchaser of the surrendered Membership.
 - (ii) For any outgoing Member whose Membership predates the Approval Date, the amount due to such Member on account of his or her surrendered Membership, which Membership was acquired by the new purchaser of the outgoing Member's Property after the Approval Date and prior to the Implementation Date, shall be Twenty Thousand Dollars (\$20,000) if the surrendered Membership is a Golf Membership and the acquiring Member is a Golf Member; and (ii) Eight Thousand Dollars (\$8,000) if the surrendered Membership is a Social Membership. The amount due to such Member on account of his or her Membership, which Membership was surrendered on and after the Implementation Date, shall be eighty (80%) percent of the equity contribution component of the Membership Contribution paid to the Club by the new purchaser of the Property in consideration of the purchase of a Membership.
 - (iii) For any outgoing Member whose Membership commenced on or after the Approval Date, the amount due to such Member on account of his or her surrendered Membership shall be eighty (80%) percent of the amount of the equity contribution component of the Membership Contribution paid to the Club by the new purchaser of the Property in consideration of the purchase of a Membership.

In all cases, the amount due the outgoing Member shall be further reduced by any amounts the outgoing Member owes the Club. Notwithstanding the foregoing, an outgoing Non-Equity Social

Member shall not be due any amount on account of his or her surrendered Membership.

11.12 TRANSFER UPON DEATH OR DIVORCE

- a. Unless otherwise specified in the Application for Membership or the Membership Certificate issued by the Club, any Membership issued in joint names shall be presumed to be held in joint tenancy with rights of survivorship, and the survivor shall remain a Member so long as such survivor is the record owner of a Property. Upon the death of a Member whose Membership is not held in joint names, the legatee or heir of the deceased Member who inherits the Property (through operation of law, implementation of a will or trust or otherwise) may acquire the deceased Member's Membership upon completion of such documents as the Club may require without the payment of any additional Membership Contribution, as long as such heir or legatee is otherwise eligible for Membership in the Club and pays all amounts due the Club by the deceased Member's estate. The Board shall have sole discretion to determine the bona fides of such a Membership transfer and whether to grant approval thereof.
- b. Notwithstanding the failure of such legatee or heir to acquire a Membership, the estate of the deceased Member, the Designated User, if any, and the entity Membership Holder, if any, shall continue to be obligated for all dues, fees, charges, Legal Costs, and assessments as the same shall become due pending a sale of the Property or other disposition of the Membership.
- c. In the event Members are legally separated or divorced, title to the Membership, including all rights and benefits given to the holder thereof, shall vest in the spouse awarded the Property by judicial determination or settlement, provided such spouse fulfills the eligibility requirements for Membership in the Club. Both of the divorced or legally separated Members shall be required to give written notice to the Club designating the person who is entitled to the rights and privileges of the Membership within five (5) days after the divorce or legal separation is declared final. Until written notice has been provided to the Club, each spouse shall remain jointly and severally responsible for the payment of all dues, fees, charges, Legal Costs and assessments associated with the Membership. Upon termination of cohabitation, only one Member may use the Membership. If both parties fail to designate one person, the Membership privileges shall be utilized by the resident on the Property who shall be deemed to be the Member entitled to use the Club Facilities. The Club will not be involved in any dispute regarding the separation or divorce and reserves the right to suspend all Membership privileges if the spouses disagree over which spouse retains the Membership privileges.

11.13 OWNERSHIP OF MULTIPLE PROPERTIES

- a. A Member who owns two or more adjacent Properties and combines them to build a residence on the combined Properties shall be required to maintain one Membership for each Property and to pay the Membership Contribution, dues, assessments and other charges and costs for each such Membership, except that for so long as only one residence remains on the combined Properties, the Member shall be responsible for the annual food and beverage minimum for only one Membership.
- b. A Member who owns two or more Properties and does not combine them shall be required to maintain one Membership for each Property and to pay the Membership Contributions, dues, assessments and other charges and costs for each such Membership.

ARTICLE XII GUEST AND LESSEE PRIVILEGES

12.01 GUEST PRIVILEGES

- a. Guests of Members In Good Standing and Associates In Good Standing may be extended guest privileges subject to applicable guest fees, charges and the General Club Rules established by the Board of Governors from time to time. Guest privileges may be denied, withdrawn or revoked at any time for reasons considered sufficient by the Board of Governors, in its sole and absolute discretion. A houseguest is defined as a guest temporarily residing on a Member's Property. All other guests of a Member or an Associate shall be considered day guests.
- b. Members and Associates are responsible for the conduct of their guests and for all fees and charges incurred by their guests. The privileges extended in this Section 12.01 shall be limited to the use of Club Facilities to no greater extent and upon no better terms than the hosting Member or Associate and may be further limited, amended or rescinded by the General Club Rules as established by the Board from time to time.

12.02 LESSEE PRIVILEGES

A Member's ability to designate his or her lessee to use his or her Membership is subject to and must be implemented in accordance with the General Club Rules as promulgated by the Board of Governors from time to time. The Member will not be entitled to use the Membership while his or her lessee is designated to use the Membership. The Member shall be responsible for the lessee's conduct and for all dues, fees and charges incurred but not paid by the lessee. Absent Board approval, a Member may designate his or her lessee to use his or her Membership only if and so long as the Member is and remains In

Good Standing and only if the lessee has not had use of the Club Facilities as a lessee for any length of time previously during any two (2) Fiscal Years. For this limitation to apply, the two prior Fiscal Years need not have been consecutive and the lessee need not have leased the same Property from the same leasing Member. The privileges extended to a lessee in this Section 12.02 shall be limited to the use of Club Facilities to no greater extent and upon no better terms than the leasing Member and may be further limited by the General Club Rules established by the Board from time to time.

ARTICLE XIII FISCAL YEAR

The Fiscal Year will constitute the twelve (12) month period commencing November 1 and ending on October 31. The Fiscal Year may be changed at any time by majority vote of the Board of Governors. Prior to the beginning of each Fiscal Year, the Board of Governors will determine the dues and other charges for each upcoming Fiscal Year.

ARTICLE XIV DUES, FEES AND CHARGES

14.01 STATEMENT OF MEMBER CHARGES

An itemized statement of any dues, fees, assessments and charges (including any fines and Legal Costs) shall be sent monthly to each Member and Associate. In the case of an entity Membership Holder other than an individual or family trust, all amounts owed to the Club shall be paid by checks written on the Member's account, not the entity's account. Any Member, Designated User, entity Membership Holder or Associate who fails to pay his or her indebtedness to the Club when due shall be subject to appropriate actions which may be taken by the Board of Governors including, but not limited to, the loss of his or her In Good Standing status, his or her suspension, and/or the imposition of interest and late charges as determined appropriate by the Board of Governors. As a condition to restoring his or her In Good Standing status or lifting his or her suspension, the Member, Designated User and/or entity Membership Holder or the Associate shall pay all outstanding indebtedness to the Club. The failure of any Member, Designated User or entity Membership Holder to pay dues, fees, charges or assessments for a period of six (6) months shall result in an automatic assignment to the Club by the defaulting Member, Designated User and/or entity Membership Holder of his, her or its Membership's equity contribution component as collateral security for the amount in arrears. Such assignment shall not affect such Member's status as a Member of the Club nor does such transfer relieve the Member, Designated User or entity Membership Holder of his/her/its outstanding indebtedness to the Club or any future obligations as they may continue to accrue, or relieve any other person or entity liable for the indebtedness.

If the Board of Governors reasonably determines that a Member, a prospective Member or an Associate constitutes an unacceptable credit risk at any time, the Board of

Governors may require the Member, prospective Member or Associate to post and maintain a reasonable advance security deposit acceptable to the Board of Governors. Such determination may include the imposition of a service charge.

14.02 LIENS

- a. The Club shall have a security interest under the Code in the Membership of a Member, a Designated User and/or an entity Membership Holder for any unpaid dues, fees, assessments, fines, Legal Costs and charges, and such security interest shall be granted under the Application for Membership submitted by a prospective Member, prospective Designated User and/or prospective entity Membership Holder. This security interest shall serve to secure unpaid dues, fees, assessments, fines, Legal Costs and charges incurred by the Club incident to the collection of such dues, fees, assessments, fines, Legal Costs and charges or the enforcement of payment of the requisite amounts due from the Member, Designated User and/or entity Membership Holder under the security interest, whether or not legal proceedings are initiated. This security interest may be perfected by either or both of (i) expressly acknowledging the security interest on the Membership Certificate, and noting its existence and amount, where applicable, on the Membership records of the Club, and (ii) filing a Code financing statement with the appropriate public registries. In this regard, each Member, Designated User and entity Membership Holder does hereby irrevocably make, constitute and appoint the Club and any of its Officers, employees or member of the Board to sign the name of the Member, Designated User and/or entity Membership Holder on any financing statement, renewal financing statement, notice or other similar document which in the Club's opinion will assist it in perfecting the security interests granted to it in the Membership. If any default shall occur in the payment of any dues, fees, assessments, fines, Legal Costs or other charges owed to the Club by a Member, Designated User and/or entity Membership Holder, the Club shall have the remedies of a secured party under the Code. The Club shall give the Member at least five (5) days notice of the time and place of any public sale or of the time after which any private sale or other intended disposition of the Membership is to be made. Notice so given shall constitute reasonable notice to the Member, the second Member on the Membership Certificate, if any, the Designated User, if any, and the entity Membership Holder, if any. The Club may also, at its option, sue to recover a money judgment for unpaid dues, fees, charges, assessments, fines and Legal Costs without waiving its security interest.
- b. In addition to the foregoing, any and all Club dues and Club assessments levied by the Club are hereby declared to be a charge and continuing lien upon the Property against which such Club dues and Club assessments are levied. Club dues and Club assessments levied against a Property, together with Legal Costs, shall be the personal obligation of the owner of each such Property assessed. Said lien shall be effective only from and after the time of the

recording amongst the Public Records of the County of a written acknowledged statement by the Club setting forth the amount due to the Club as of the date the statement is signed. In addition to all other remedies authorized by law, the Club shall have the right to file an action in equity to foreclose its lien. The lien may be foreclosed by an action in the name of the Club in like manner as a foreclosure of a mortgage on the Property.

- c. No Member, Designated User or entity Membership Holder shall be permitted to create, incur, assume or suffer to exist upon his, her or its Membership any liens or security interests whatsoever other than the lien and security interest of the Club.

14.03 CAPITAL ASSESSMENTS

Assessments for capital improvements of the Club shall be levied on Members and Associates as follows:

| <u>Category</u> | <u>Amount of Assessment</u> |
|---|---|
| i) Golf Members and Golf “X” Members | 100% of amount levied |
| ii) Social Members | 100% of amount levied for all items other than major golf course construction or renovation; 50% of amount levied for all major golf course construction or renovation |
| iii) Annual Non-Resident Associates | To be determined by the Board of Governors |
| iv) Non-Equity Social Members | Same as Social Members (ii above) |

**ARTICLE XV
DISCIPLINE**

15.01 STANDARDS OF CONDUCT

The conduct of any Member (which term includes Designated Users and entity Membership Holders for purposes of this Article XV), Significant Other or Associate or any of their family members, guests, contractors or lessees that is deemed to be improper or likely to endanger the welfare, safety, harmony or good reputation of the Club or its

Members may be reported by any Governor, the President or the General Manager on behalf of the Club or any affected individual, including but not limited to an aggrieved Member, Significant Other, Associate, Club employee or Club contractor, to the chairperson of the Grievance Committee (referred to in this Article XV as "Committee"). The complaint must be in writing and in sufficient detail to reveal the nature and extent of the alleged offending behavior. The Committee shall take such action as it deems appropriate in accordance with the provisions of Section 15.02 of these By-Laws and such General Club Rules regarding grievance procedures as the Board may establish from time to time.

15.02 GRIEVANCE COMMITTEE PROCEDURE

- a. The Committee shall investigate and, as it deems necessary, hear and determine all matters concerning alleged violations of the By-Laws, General Club Rules and/or alleged misconduct committed by any Member, Significant Other, or Associate or any of their family members, guests, contractors or lessees which may be prejudicial to the Club. All grievance complaints shall be in writing and referred, in the first instance, to the Committee. Upon determining that it wishes to proceed upon a complaint, the Committee shall give reasonable notice, in writing, to the accused Member or Associate of its intention so to proceed, which notice shall specify the nature of the charges (including a detailed description of the alleged events underlying the charges) and the time and place where the hearing will take place.
- b. The Committee, after a hearing, shall make its written recommendation to the Board of Governors. The Board of Governors shall be the sole judge of what constitutes improper conduct or conduct likely to endanger the welfare, safety, harmony or good reputation of the Club or its Members and shall take such action as it deems appropriate in its sole and absolute discretion. Written notice of the determination of the Board shall be sent to the Member or Associate so charged, setting forth, in detail, its findings within three (3) days of its final determination. The Member or Associate so affected, upon written request to the Board of Governors within ten (10) days of his/her receipt of the determination of the Board, shall have the right to an appeal to the Board which may consist of an original review by the Board of the Committee's findings and recommendations or such other procedural activity the Board may deem appropriate under the circumstances. An accused shall be entitled to representation before the Committee and the Board of Governors, and the representative need not be an attorney. All proceedings at every level shall be confidential unless the accused (and, if the accused is not a Member, the accused and the Member responsible under the By-Laws for the accused's conduct) demands otherwise, in writing, in which case the request shall be honored.

- c. For purposes of this Section 15.02, written notice to a Member or Associate shall constitute notice to the accused where the accused is a Significant Other, family member, guest, contractor or lessee of such Member or Associate.

15.03 SUSPENSION, CHARGES AND FINES

The Board of Governors may suspend a Member, a Membership, a Significant Other, family members, guests or lessees of a Member, and/or an Associate from some or all of the privileges of Membership or being an Associate for a period of time as determined by the Board of Governors, provided however, that any suspension resulting from a failure to pay outstanding obligations to the Club shall continue until such time as payment, including any Legal Costs, interest and penalties, is paid. Dues and other obligations to the Club shall continue during such suspension and must be paid in full when due. In addition to or instead of suspension, the Board may (a) fine a Member or Associate; (b) charge the Member or Associate with any losses incurred by the Club as a consequence of the actions or inactions of the Member or Associate or any of their Significant Others, family members, guests, contractors or lessees; and/or (c) terminate the relationship between the Club and the Associate.

15.04 IN GOOD STANDING

As used in these By-Laws, a person or entity **"In Good Standing"** means a Member, Associate, Significant Other, Governor or Officer who, subject to such discretion as the Board may exercise or allow, has not been (a) suspended for non-payment of dues, fees, assessments, fines, charges, Legal Costs or any other financial obligation owed to the Club; or (b) fined, suspended or otherwise limited in his or her Club privileges and/or use of Club Facilities as the result of a grievance determination pursuant to this Article XV.

ARTICLE XVI MISCELLANEOUS

16.01 INDEMNIFICATION OF OFFICERS, GOVERNORS AND COMMITTEE MEMBERS

Officers, Governors and members of authorized committees of the Club are indemnified, except as limited by law, by the Club for actions taken during the course of their tenure as Officers, Governors and/or committee members. The Club shall maintain adequate insurance coverage for Governors, committee members, Officers, and members of authorized committees of the Club, who shall not be liable for debts of the Club.

16.02 PREREQUISITE TO LITIGATION

The observance and completion of each of the following procedural steps are mandatory and are jurisdictional prerequisites to the institution of any judicial or other proceedings

against the Club concerning or involving the Club's Articles of Incorporation, its General Club Rules, its By-Laws or its operation:

- a. A Member aggrieved by any incident or issue which concerns or involves the Club's Articles of Incorporation, its General Club Rules, its By-Laws or its operation shall detail, in a written complaint, the incident or issue to the Secretary, who shall report the complaint to the Board at its next regular meeting. The Board shall direct the standing committee that most closely has jurisdiction over the incident or issue to hear and determine the complaint.
- b. The designated committee shall, within thirty (30) days, call a meeting to investigate the complaint. The aggrieved Member shall be afforded a full hearing and opportunity to present witnesses and exhibits. After the hearing is completed, the committee will provide a recommendation to the Board. The Board shall then meet and render a decision within fifteen (15) days and shall send copies of the decision to the Secretary and to the Member by Certified Mail – Return Receipt Requested.
- c. If the Member is not satisfied with the Board's decision, the Member may, within twenty (20) days of receipt of the decision, file a notice of objection with the Secretary, who shall promptly refer the notice of objection to the Grievance Committee for a full review. The Grievance Committee shall, within thirty (30) days of the referral, call a meeting at which the Member shall be afforded a full opportunity to present witnesses and exhibits in support of the Member's position. Within fifteen (15) days after the hearing is concluded, the Grievance Committee shall send copies of its written decision to the Secretary and to the Member by Certified Mail – Return Receipt Requested.
- d. After receipt of the Grievance Committee's decision, if the Member is still not satisfied, he or she may within twenty (20) days file a further written notice of objection with the Secretary. The Secretary will promptly report the objection to the Board, which shall, within thirty (30) days after their next regular meeting, afford the Member a full hearing by the Board at which the Member may again present witnesses and exhibits. Within fifteen (15) days after the hearing is concluded, the Board shall send copies of its written decision to the Secretary and to the Member by Certified Mail – Return Receipt Requested.
- e. For purposes of this Article XVI, the term "Member" includes his or her Designated User, if any, and his or her entity Membership Holder, if any. All notices of any hearings and copies of all decisions shall be directed to the first address listed for the Member in the Club's official roster, unless the Member shall specify a different address in his or her original statement of complaint.

16.03 MEMBERS' ACTIONS AGAINST CLUB

- a. Each Member agrees that if any legal proceeding, including a counterclaim or cross claim, is brought by the Member against the Club, the prevailing party will be entitled to recover reasonable attorney's fees, court costs and all expenses even if not assessable as court costs (including all such fees, costs and expenses incident to appeals and Legal Costs if the Club is the prevailing party), incurred in that action or proceeding in addition to any other relief to which such party may be entitled. Such matters will be submitted to a court of competent jurisdiction. By virtue of submitting an Application for Membership and/or Membership in the Club, each Member and the Club voluntarily and intentionally waive the right either may have to a trial by jury in respect of any dispute or litigation (including but not limited to any counterclaims, cross claims or third party claims) based on, or arising out of, under or in connection with Membership in the Club or any course of conduct, course of dealing, statement(s) whether verbal or written, or actions of either party.
- b. In the event a Member, or any immediate relative of a Member, commences a legal action or files a counterclaim or cross claim against the Club or the Board of Governors, such Member shall be prohibited from holding any elected or appointed office for so long as the legal action is outstanding. Upon final disposition of such legal action the right of the Member to hold office shall be restored. In the event such Member is a member of the Board of Governors or holds an elected or appointed office, the commencement of such legal action or filing of a counterclaim or cross claim shall be deemed an automatic resignation of that Member from the office then held by such Member.

ARTICLE XVII AMENDMENTS

17.01 BY MEMBERS

These By-Laws may be altered, amended, or repealed only by: (a) a majority vote of all of the members of the Board of Governors, and (b) a majority of the votes cast by the Members, in person or by proxy, at any duly called and constituted Annual or Special Meeting of the Members, at which a quorum of the Members is present, either in person or by proxy. The proposed amendment must be set forth in its entirety in the notice of meeting.

NOT A CERTIFIED COPY

STONEBRIDGE

COUNTRY CLUB ♦ BOCA RATON

October 22, 2025

Mr. Dan Brumback
17604 Charnwood Drive.
Boca Raton, FL 33498

Mr. Brumback

In a letter dated August 15, 2025, you were notified a grievance was filed against you by twenty three (23) members of Stonebridge Country Club citing violations of Section 15.02 of our by-laws by engaging in inappropriate behavior with a (now) former Club employee, and General Rule 6 of the Club Rules and Regulations which addresses socializing by members with Club employees.

You appeared with your attorney before the Grievance Committee at a hearing on September 30, 2025. The Grievance Committee conducted an investigation of the allegations and submitted a written report to the Board of Governors.

At a special meeting on Monday October 20th the Board of Governors reviewed the Committee's report and additional information that is only available to the Board. Based on that additional information, and after extensive and thorough discussion, the Board unanimously made the determination that;

You are suspended from all Club privileges for a period of twelve (12) months, effective October 23, 2025, through October 22, 2026. This suspension and restrictions apply to you alone and not Mrs. Brumback. In addition, the Board has determined that you will be required to make restitution to the Club in an amount equal to the expenses incurred and paid by the Club related to its defense in this matter.

During your suspension you are prohibited from using or accessing any Club facilities, including but not limited to the clubhouse, golf course, fitness center, tennis & pickleball courts and pool complex. You are also not permitted to participate in any Club sponsored or private events held at the Club, whether as members, guests, or otherwise.

Please note that all Club fees, membership dues, assessments and other charges remain payable and must be kept current throughout the suspension period.

Pursuant to Article 15.02b, you have the right to appeal this decision to the Board of Governors within ten (10) days of receipt of this letter. Should you choose to appeal, you are entitled to representation, either legal or otherwise during that process.

The Board of Governors regrets having to impose disciplinary action upon any member. It is our sincere hope that no future incidents will occur that would necessitate further sanctions.

Sincerely,



Jonas Steinberg, President
On behalf of the board of Governors

