

BY-LAWS

OF

SAN CARLOS GOLF, INCORPORATED

AND

THE SAN CARLOS GOLF CLUB

**San Carlos Golf, Inc.
7240 Constitution Circle
Fort Myers, Florida 33967**

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AND SAN CARLOS GOLF CLUB**

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BY LAWS
SAN CARLOS GOLF, INC., AND SAN CARLOS GOLF CLUB
AS AMENDED January 21, 2021

ARTICLE I
CORPORATION

Section 1.1 The name of the Corporation is San Carlos Golf, Inc. The Corporation shall control all property, contract, licenses, and finances of the Club which shall be known as San Carlos Golf Club.

Section 1.2 The purpose of the Corporation is to provide a quality golf course and related amenities at a low cost to its members, recognizing this will require heavy dependency on public usage of our facilities.

Section 1.3 The Principal Office of the Corporation will be located at 7420 Constitution Circle, Fort Myers, FL 33967, or such other place as may be designated by the Board of Directors.

Section 1.4 The Fiscal year of San Carlos Golf, Inc. shall be from October 1 through and including September 30, or as otherwise established by the Board of Directors.

ARTICLE II
CERTIFICATE OF OWNERSHIP

Section 2.1 The owner(s) of the Corporation are established by the name(s) listed on each stock certificate as the owners(s). A change in ownership by the addition or removal of owners(s) names(s), is done through the corporate office and is subject to the transfer fee. The Board of Directors shall prescribe the transfer fee to be paid to the Corporation, the frequency at which less than a full ownership of the share may be transferred, and the signing of an agreement by the listed certificate owner(s) that they be jointly and severally liable for payment of all fees, capital contributions, and assessments established under the corporate by-laws. All certificates issued after the effective date of this by-law shall contain a prominent warning stamp or bold print that indicates the transfer of the certificate is restricted and conditioned upon compliance with the foregoing conditions and is subject to these by-laws, including but not limited to the Corporation's right to revoke the certificate for non-payment of monetary obligations to the Corporation. The Secretary of the Corporation shall give one copy of the agreement to each signer and shall keep a signed and witnessed copy in the corporate office. [Amended 1-21-21]

Section 2.2 No rights or privileges of ownership shall be available until a certificate is issued. However, a trial period will be offered for an immediate sale of certificate pending-

officially completed, proper documentation and in the case of a certificate containing multiple names, the name of the owner to receive golf and voting privileges shall be designated through the execution of a “San Carlos Certificate Transfer Declaration Form.” This owner shall be referred to as the “Designated Certificate Owner” throughout these By-Laws. The owner of a certificate containing only one owner is automatically the “Designated Certificate Owner.” [Amended 1-28-16]

Section 2.3 Certificates shall be in such form as approved by the Board of Directors. They shall be signed by the President and by the Treasurer or Secretary under the seal of the Corporation.

Section 2.4 Each Certificate of Ownership shall be registered in the name of the owner(s) in whom title is vested and shall be non-transferable, except as herein otherwise provided.

Section 2.5 Each certificate shall be allowed one vote, (however, per Articles of Incorporation as amended on 1/20/1993.) If an individual owns more than one certificate, that individual shall be designated the “Designated Certificated Owner” on all certificates and will be entitled to one vote. [Amended 1-28-16]

Section 2.6 Certificate of Ownership shall be transferable only through the Corporation. When a transfer fee is applicable the buyer shall pay such transfer fee. No transferee shall become an owner until all initiation fees, dues, assessments, taxes, and other house charges owed by the transferor have been paid in full. The transferor upon completion of the transfer shall cease to have rights and privileges unless he or she remains eligible by virtue of ownership of another Certificate. [Amended 1-21-21]

Section 2.7 An owners’ indebtedness to San Carlos Golf, Inc. including but not limited to, capital contributions, membership fees, dues, assessments, house charges, and transfer fees shall be a charge against and secured by this Certificate and must be paid before transfer thereof shall be effective. In the event that any monetary obligation due the Corporation becomes more that 90 days past due the Corporation may revoke the Certificate, the Corporation will send a notice of revocation and forfeiture to the last known address of the designated owner, by certified mail, return receipt requested. Such notice shall be deemed delivered upon mailing. If all outstanding monetary obligations due the Corporation are not paid within 30 days of such notice the Corporation may revoke the Certificate, which shall be deemed forfeited to the Corporation without further notice. [Amended 1-28-16]

ARTICLE III MEMBERSHIP

Membership in San Carlos Golf Club shall be limited to the holders of the 301 Certificates issued by San Carlos Golf, Inc. Application for membership shall be in writing to the Board of Directors upon forms to be furnished by the Club. [Amended 1-21-21]

Section 3.1 Categories of Memberships:

A. Dues Paying and Non-Dues Paying Members:

1. Dues Paying Members are those Designated Certificate Owners who elect to pay annual dues at a rate and for such privileges as determined by a majority vote of the Designated Certificate Owners.

There are two types of dues paying memberships:

- Single - where only one person is entitled to all privileges of the Club.
- Family - where the Designated Certificate Owner, Spouse, and any unmarried children up to and including eighteen (18) years of age residing at home are entitled to all privileges of the Club. Cart fee and driving range charges for dependent children shall be paid as determined by the Board of Director. This category also includes two adults (who are not otherwise related) living together in a single housekeeping unit. In such cases, the Certificate of Ownership must be registered in both names. [Amended 1-28-16]

2. Non-Dues Paying Members are those Designated Certificate Owners who elect not to pay annual dues and are entitled to privileges as defined under Article IV, Section 4.3. [Amended 1-22-97]

B. Junior Members: An unmarried Independent child of a Dues Paying Member, residing with the parent(s), who is over the age of eighteen (18), up to the age of twenty-one (21) may, if they so desire, file an application with the Club to become a Junior Member. If the application accepted, said Junior Member shall pay an annual fee of 50% of that established for single dues paying Member. Junior Members shall be allowed to use all the facilities of the Club, including the Golf Course. The parent of Junior Members will be responsible for all charges incurred by Junior Members and it is further understood that Junior membership shall run concurrent with the ownership of a Certificate and payment of annual dues by their parent. Eligibility for Junior Membership shall terminate at the end of the fiscal year during which the Junior member attains the age of twenty-one. Junior memberships may be terminated at any time by the Board of Directors and are not transferable.

Section 3.2 If the Certificate is held jointly or by more than one person, or in the form of a partnership or co-venture, then the joint or common owners or the partners, or co-ventures, as the case may be, shall file with the Board, for its approval, the name of the joint or common owner, partner, or co-venturer who is to be considered as the Club member. Owners may change the membership status not more frequently than once a year (except in the case of death of the designated member) subject to the approval of the Board and payment of an established transfer fee. [New 1-22-97]

Section 3.3 The same rules as to joint ownership shall apply where the certificate is owned by a corporation.

Section 3.4 In all cases where the member is the designee of a fiduciary, joint or common owner, corporate owner, or otherwise, the exercise by any designee of membership rights is subject to approval of the Board and must be on application and payment of any fees required. [Amended 1-22-97]

Section 3.5 In the event of death of a Designated Certificate Owner, the direct descendent to whom title to the Certificate of Ownership descends or is transferred, shall be eligible for membership and, must make application for such membership and be approved by the Board of Directors. If the Designated Certificate Owner is a fiduciary then the fiduciary rule as to designation and membership shall apply, all subject to approval of the Board of Directors. The transfer fee will be equal to the current cost for a normal transfer (as determined by the Board of Directors. [Amended 03-29-18]

Section 3.6 Any change in annual dues or assessments must be approved by a vote of the Designated Certificate Owners. All other costs such as Cart, Trackage, Walking Fees, Range, Handicap fees shall be established by the Board of Directors. [Amended 1-21-21]

Section 3.7 Any member whose conduct, or that of a member of their family, or guests, is deemed by the Board as improper or likely to endanger the welfare, safety, harmony, or good reputation of the Club, or violates the rules in reference to the use of the Club, may be reprimanded, suspended, or expelled from the Club. Suspensions for more than thirty (30) days and expulsion shall only be by affirmative vote of two-third (2/3) of the Board of Directors.

Before any member may be suspended for more than thirty (30) days, or expelled, at least five (5) days' notice in time and place mentioned in said notice, together with a written specification of the charge, shall be sent by registered or certified mail, return receipt requested, directed to the member at their last known post office address, or personally delivered to the Member by the Secretary of the Club or nominee of the Board. The affected member may attend that portion of the Board meeting at which the charges against him or her are considered and shall have the right, subject to reasonable rules, to be heard in his or her defense and may be represented by counsel.

The Board of Directors shall be the sole judge of what constitutes misconduct, what conduct is injurious to the Club and what constitutes a violation of the By-Laws and Rules and Regulation of the Club.

Section 3.8 A Dues Paying Member may cancel their membership at any time by written notice to the Secretary, but no such cancellation shall excuse the former member from any present or future obligation to pay fees, assessments and other obligations to the Club pertaining to ownership of Certificate.

Section 3.9 No member or guest of a member shall have any right of action against the Club, its members, Directors or Officers to recover loss or damage for injuries to the person or property of such individual due to negligence or malfeasance of any officer, agent employee, or representative of the Club, or by refusal of the Board to approve any transfer of membership. Acceptance by any member of membership in the Club or the entering upon the premises by a guest shall constitute and be a waiver and surrender by such individual of any right of action against the Club or any member thereof.

ARTICLE IV DUES AND PRIVILEGES

Section 4.1 All annual dues payable to San Carlos Golf, Inc. for San Carlos Golf Club membership shall be payable on or before the 1st day of October each year. Members who have not paid dues by October 1st of the year they are due will be denied all membership privileges of the Club until their dues are paid in full. If payment in full is not received within ninety (90) days of due date, members name will be put on an inactive list. A majority vote of the Board of Directors shall be required for the reinstatement of any member who is on the inactive list.

A penalty on all overdue payments will be charged at a rate set by the Board of Directors. Private Cart fees and penalties will be the same as prescribed for membership dues as stated herein as well as Section 3.1.A.

Section 4.2 Privileges of an Annual Dues Paying Designated Certificate Owner, defined as the certificate owner or in the case of multiple named owner, the owner designated by them as having the following benefits:

- (A) Full use of the Club house facilities
- (B) Unlimited Golf privileges
- (C) Right to purchase cart fee ticket coupon book at reduced prices set by the Board of Directors. [Amended 1-17-01]
- (D) Right to own one (1) private golf cart per Certificate owned and pay trackage fee. This privilege does not include Junior Members or dependent children [Amended 1-22-97]
- (E) Purchase merchandise in pro-shop at a discount set by the Board of Directors
- (F) Seven days advance tee times [Amended 1-21-21]
- (G) Reduced Fees for driving range as set by the Board of Directors [Amended 4-12-00]
- (H) Right to join Men's Association or Women's Association with payment of dues to that Association
- (I) Right to participate in reciprocal course privileges [Added 1-22-04]

[Amended 1-28-16]

Section 4.3 Privileges for Non-Dues Paying Members:

- (A) Full use of Club house facilities
- (B) Reduced green and cart fees as set by the Board of Directors
[Amended 1-17-01]
- (C) Purchase merchandise in pro shop at a discount set by the Board of Directors
- (D) Three-day advance tee times
- (E) Right to join Men's Association or Women's Association with payment of dues to that Association [Added 1-17-01]

Section 4.4 If a Non-Dues Paying Member elects to become a Dues Paying Member, payment of annual dues shall be required prior to the start of the fiscal year.

Section 4.5 All Designated Certificate Owners may have over-night house guests from out of town who, when playing golf with the Designated Certificate Owner, shall receive the same special discount as the non-dues paying Designated Certificate Owners.

Section 4.6 A Designated Certificate Owner paying trackage fee must have their own cart. Cart ownership cannot be shared with another Designated Certificate Owner.

Section 4.7 Dues, trackage fees and annual range fees, will be prorated when a Certificate is purchased after the start of the fiscal year. [Amended 1-17-01]

Section 4.8 The only refunds of annual dues or trackage fees will be prorated refunds in case of death. [Amended 1-20-94]

Section 4.9 Tiered Dues

Each Member shall pay annual membership consisting of capital contributions and membership dues as a condition of membership in the Club and such dues shall be payable on an annual basis. The annual membership shall consist of two (2) pricing tiers. Tier one (1) (Schedule "A" Pricing) will consist of all current certificate holders that purchased certificates prior to March 1, 2019. The dues for Tier one (1) will remain at the current pricing plus increases as the by-laws permit. Tier one (1) will consist of the new pricing structure any annual increase cannot exceed 5% per year. Increases above 5% must be approved by the majority of the membership voting or proxy at the annual meeting.

Any Tier one (1) certificates leased after March 1, 2019 are subject to Tier two (2) pricing beginning March 1, 2019. If the certificate was purchased prior to March 1, 2019 and is NOT leased, the owner is responsible for the minimum of \$1000 and increases as stated in 6.19 in the by-laws.

This Tier one (1) pricing structure section cannot be changed or deleted by majority vote of Tier two (2) certificate holders until the last tier one (1) certificate is sold or transferred.

Tier two (2) (Schedule “B” pricing) will apply to certificates purchased or transferred after March 1, 2019. Tier two (2) will consist of the new pricing structure; any annual increase cannot exceed 5% per year. Increases above 5% must be approved by the majority of the membership voting or proxy at the annual meeting.

Single golf is the minimum a Tier two (2) certificate holder must purchase. Certificates purchased after March 1, 2019 cannot be leased. Range fees, Trackage, Handicap Tracking etc. will be additional fees for both tiers.

The obligation to pay dues for both tiers is not dependent on the availability of all Club Facilities or the frequency of use, repair, rebuilding, and maintenance of the Club Facilities and/or other occurrences that may make it necessary for the Club to change hours of use or restrict the use of the Club Facilities or to close the Club temporarily. The Board of Directors will not be required to reduce or suspend dues during the time when the Club Facilities, in whole or in part, are not available. [Added 1-17-19] Amended 1-21-21]

ARTICLE V CERTIFICATE OWNER MEETINGS

Section 5.1 Annual Meeting. The annual meeting of the Designated Certificate Owners of San Carlos Golf, Inc. shall be held during the month of January at such place as shall be designated by the Board of Directors. All Designated Certificate Owners must be notified in writing at the Designated Certificate Owners address as it appears on the books of San Carlos Golf, Inc. Such notice shall be mailed via first class mail (or hand delivered (with written receipt) no less than thirty (30) days prior to the date of the meeting or electronically transmitted as provided by Florida State Statute 617.0141. An owner must give a revocable consent to receive notices by email and to provide his or her current email address utilizing a “consent to Receive Electronic Service Form furnished by the Administration Manager. A notice is considered sent when emailed to that address. The email address provided to the Corporation shall be considered revoked if two consecutive notices are returned as non-deliverable or upon the Corporation receiving a written revocation. [Amended 1-28-16]

At such meeting, vacancies on the Board of Directors shall be filled and such other business shall be transacted as shall be listed on the published agenda except in an emergency. Items may be placed on the agenda by the Certificate Owners and must be placed on the agenda if requested by written petition signed by at least twenty-five (25) certificate holders and delivered to the Board no later than November 30th prior to the date of the annual meeting. If the agenda changes after the original notices are sent out, the Certificate Owners shall be emailed the new agenda no less than ten (10) days prior to the meeting. If the agenda changes with less than five (5) days before the meeting, the Certificate Owners shall be emailed the new agenda as soon as the change is made. The only notification of an agenda change after the original notices are sent out will be by email. [Amended 03-29-18]

Section 5.2 A minimum of seventy-three (73) Designated Certificate Owners present or represented by proxy filed with the Secretary prior to the meeting shall be necessary to constitute a quorum at the annual or special meeting for the transaction of business, except to adjourn. [Amended 1-28-16]

Section 5.3 A special meeting may be called for any purpose and at any time by the President of the Board of Directors or upon a written request of no less than fifty (50) Designated Certificate Owners. Notice of such special meeting shall be mailed, at least ten (10) days prior to the meeting via first class mail, to all Designated Certificate Owners and such notice shall state the purpose of the proposed meeting. No business other than that stated in the notice shall be considered at such special meeting. [Amended 1-17-01]

Section 5.4 The Corporation Secretary shall maintain a roster of Designated Certificate Owners who are in good standing, which shall be available at meetings. Any questions arising as to the voting privilege of any Designated Certificate Owner to vote shall be resolved by the Board of Directors.

Section 5.5 Voting for candidates for the Board of Directors shall be by a plurality vote. Voting to be by secret ballot in a process defined in Exhibit I attached to these By-Laws.

Section 5.6 Acceptance of other items on the ballot shall require a majority vote of those present or represented by proxy and voting. The teller's report of the election will be a part of the minutes of the Annual or Special meeting. Ballots shall be kept on file in the Office of San Carlos Golf, Inc. for thirty (30) days following the election. Any review of the election materials will be supervised by the Election Judge.

Section 5.7 Designated Certificate Owners may vote by proxy at Annual and Special Meetings of the Corporation. The Board of Directors may establish a limited or directed form of proxy which must be used for Designated Certificate Owners who wish to cast votes by proxy. The form of proxy used by the Corporation shall entitle the Designated Certificate Owner to vote affirmatively or negatively for each known item of substantive business to be considered at the meeting. A proxy vote cannot be used for any business brought up on the floor at the meeting.

Section 5.8 Any floor votes occurring during the course of a Designated Certificate Owners meeting shall be by a hand vote utilizing the "Voting Card" supplied.

Section 5.9 The order of business at designated certificate owners' meetings shall be as follows:

- (A) Roll call of Designated Certificate Owners or verification of quorum
- (B) Reading of Minutes
- (C) Communications and/or Presidents report
- (D) Discussion of Balloted items

- (E) Cast votes on ballot items (except Directors)
- If needed Pause the meeting to allow for the collection of cast votes and counting
- (F) Report of Officers
 - (G) Report of Committees
 - (H) Announcement of Ballot Results
 - (I) Discussion on results of ballot
 - (J) Old Business
 - (K) New Business
 - (L) Suggestions or comments for improvement of Club, etc.
 - (M) Adjournment
- [Section 5.9 was Amended on 03-29-18]

ARTICLE VI BOARD OF DIRECTORS

Section 6.1 The affairs of the Corporation shall be managed by a Board of Directors as hereinafter provided. The Board of Directors shall consist of nine (9) elected Designated Certificate Owners. Board Members shall serve three years effective following the annual meeting at which they are elected. Directors shall attend at least sixty (60) percent of all Board of Directors meetings. Failure to attend the required number of meetings for the preceding year may result in presenting the delinquent Director to the Designated Certificate Owners for removal from the Board at the next Annual meeting. [Amended 1-20-99]

Section 6.2 Sufficient Directors shall be elected at the annual meeting to fill all vacancies existing on the Board of Directors.

Section 6.3 Any Director, at the end of his or her term in office or through written resignation from the Board, is ineligible for re-election or appointment until twelve (12) consecutive months have elapsed from the date of their retirement from the Board. Partial terms of service created by Board appointment until the next annual meeting shall not be considered a “term in office” for the purpose of the right to seek election to the Board. Likewise, election by Designated Certificate Owners to serve a partial term, as provided in Section 6.4 below, shall not be considered a “term in office” for the purposes of this Section. It is the intention of this provision that the “term limit” shall pertain to one, elected three-year term, and that “partial” terms involving the filling of a vacancy are not considered part of the “term in office” for purposes of the “term limit” clause herein. [Amended 1-16-14]

Section 6.4 In the event of death or voluntary resignation of a Board Member, the President, or acting President, with consent of a majority of the Board of Directors, shall appoint a Designated Certificate Owner to this vacancy who shall serve until the next annual Designated Certificate Owners meeting, at which time the Designated Certificate Owners shall elect a Director to fulfill the unexpired term created.

Section 6.5 No employee of, or independent contractor or provider of services to the San Carlos Golf, Inc. is eligible to serve on the Board of Directors.

Section 6.6 The Designated Certificate Owners of San Carlos Golf, Inc. may, by secret ballot, remove any one or more of the Directors, with or without cause and after an appropriate hearing, by a majority of Designated Certificate Owners present at any special meeting called for that purpose or at the annual meeting.

Section 6.7 The organizational meeting of the new Board of Directors shall take place no sooner than three (3) days nor later than five (5) days after the annual meeting. Candidates for the Office of President, Vice-President, Secretary, and Treasurer may volunteer or be nominated by a member of the new Board to the President who held office the preceding year. The outgoing President shall verify acceptance from nominee to serve if elected, prepare a ballot and conduct a secret election of Officers for the forthcoming year. Election of the Officers shall be determined by a plurality vote. The term of Officers thus elected shall be one (1) year commencing with their election.

Section 6.8 Regular meetings of the Board of Directors may be held at such times and places as shall be determined by the Board. Five (5) Members of the Board shall constitute a quorum at all Board meetings. [Amended 1-19-00]

Section 6.9 Special meetings of the Board of Directors may be called by the President on three (3) days notice in writing to each Director and shall be called upon like notices by the Secretary on written request of any two (2) Directors.

Section 6.10 In the event of an emergency, a special meeting maybe called by the President waiving the three (3) day notification requirement.

Section 6.11 In their absence from the area, all Directors shall be kept apprised of all actions of the Board and shall be entitled to vote by proxy on all matters coming before the Board.

Section 6.12 Board of Directors meetings shall be open meetings, limited to the first 25 Certificate Holders to sign up for attendance at the meeting. The sign up sheet will be located in the pro shop. Any member that signs up and does not attend will be unable to sign up for the next meeting, unless otherwise approved by the President of the Board. All attending certificate holders can speak during the Certificate Holder comments portion at the end of the regular meeting. Any Certificate Holder whom wishes to speak must fill out a comment card prior to the start of the meeting and present it to the President. Comments will be limited to (2) two minutes unless the Board President allows more time at his or her sole discretion. Members can only speak during the comments portion as not to slow the meeting down. Due to time constraints on meeting, the board reserves the right to answer any concerns or questions either at that time or via email to the member. The Board of Directors

or GM can request an executive meeting at any time to take place after the normal meeting. Executive meetings will be closed to members and they must exit the room as soon as the normal meeting is adjourned. [Amended on 03-29-18]

Section 6.13 Subject to these By-Laws and such other instructions as the Designated Certificate Owners may give; the Board of Directors shall exercise general charge of the affairs of the Corporation and the Club and shall control and manage all property and enforce all rules. All purchases, contracts, appropriations of funds and other proceedings shall be under the direction and approval of the Board of Directors.

Section 6.14 The Board shall be empowered to properly insure the Directors and Officers against liability while carrying out their duties.

Section 6.15 Every Director and every Officer of the Corporation will be indemnified by the Corporation against all expenses and liabilities, including legal fees, reasonably incurred by or imposed upon him/her in connection with any proceeding or any settlement of any proceeding to which he/she may be a party or in which he/she may become involved by reason of his/her being or having been a Director, or Officer of the Corporation, whether or not he/she is a Director or Officer at the time such expenses are incurred, except when the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. Provided that, in the event of a settlement this right of indemnification will only apply if the Board of Directors approves such settlement and reimbursement as being in the best interest of the Corporation. The foregoing right of indemnification will be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

Section 6.16 The Board of Directors shall not incur any indebtedness on the part of the Corporation, other than operating expenses, nor shall they commit the Corporation to any external financing without the approval of the majority of the Designated Certificate Owners voting by ballot or proxy. A \$100,000 line of credit was approved at the January 19, 2006 Annual Meeting. [Amended 1-19-06]

Section 6.17 No assessment shall be levied at an Annual Meeting or Special Meeting without a majority favorable vote of the Designated Certificate Owners of the Corporation voting by ballot or proxy. Any assessment approved would be applicable for each Certificate owned. Annual dues will be determined on an annual basis by the Board of Directors. The annual dues may not increase more than 5% annually. Any increase in annual dues greater than 5% must be approved by a majority vote of the Designated Certificate Owners of the Corporation voting by ballot or proxy. [Amended 1-15-15]

Section 6.18 The Board of Directors shall be empowered to prepare, adopt or amend a Manual outlining operating procedures, controls, personnel, etc. necessary for the operation of San Carlos Golf, Inc. and San Carlos Golf Club. The policy section of this “Manual” shall denote all policies promulgated by the By-Laws and/or Board of Directors

decisions as well as other policies established for the operation of the Corporation and the Club. Upon the initial acceptance of this Manual by the Board of Directors, it shall be required to maintain a log depicting all revisions made, action authorizing the revision, and the date enacted. Maintenance of this Manual shall be the responsibility of the Secretary of the Board of Directors. [Amended 1-21-21]

Article VI Section 6.19

Section 6.19 Payment, pro-ration, and refund of this charge shall be the same as that specified for dues in sections 4.1, 4.7, and 4.8 of these By Laws. Tier One and Tier Two Non-Dues Paying owners will be responsible to pay an Annual Administration Fee of \$1000. This fee will go directly into the “Capital Contributions”. Any increase in this fee must be approved by a majority vote of the Designated Certificate Owners at the Annual Meeting. [Amended 1-21-21]

Section 6.19.1 A \$200 portion of the yearly dues per person will be allocated to the Capital Contribution fund only. [Added 1-21-21]

Section 6.19.2 Capital Contributions cannot be used for operating expense, unless approved by the Board of Directors (emergency use only) [Added 1-21-21]

ARTICLE VII OFFICERS

Section 7.1 The Officers of the Corporation shall consist of the President, Vice-President, Secretary, and Treasurer, all four (4) of whom shall be chosen from the Board of Directors. [Amended 1-20-99]

Section 7.2 The Board of Directors shall have charge of and authority over matters relating to regulations, care, and protection of the Club, Club House, and grounds.

Section 7.3 The term for Officers shall be one (1) year.

Section 7.4 An Officer may be removed from office by an affirmative vote of two-thirds (2/3) of the Board of Directors at a regular or special meeting of the Board of Directors called for that purpose. Upon hearing of the charges, a special meeting of the Designated Certificate Owners may be called by a two-thirds (2/3) vote of the Board of Directors with a recommendation that the Officer also be removed from the Board of Directors as provided in Section 6.6. Any Directorship vacated by involuntary resignation shall be filled within one week by a majority vote of the remaining Directors with two candidates being nominated by

the Board of Directors for each vacancy created. The replacement Director shall serve the balance of the term of the disposed Director.

Section 7.5 PRESIDENT. The President is the Chief Executive of the Corporation and shall implement the decisions of the Board or the Designated Certificate Owners. The President shall preside at all meetings of the Board of Directors of the Corporation and shall be an ex-officio member of all committees of the Club except the Audit and Nominating Committee. The President shall have general charge of time business and property of the Corporation and employees thereof. The President shall present, at each annual meeting of the Designated Certificate Owners, a report of general conditions of the Corporation.

Section 7.6 VICE PRESIDENT. In the absence or disability of the President, the Vice President shall be vested with all powers and perform all duties of the President.

Section 7.7 SECRETARY. The Secretary shall be Secretary of the Board of Directors and shall be custodian of the records of all meetings and perform such other duties as may be assigned by the Board of Directors or President.

Section 7.8 TREASURER. The Treasurer shall collect and deposit all funds in the bank or banks designated by the Board of Directors and, under the direction of the Board of Directors, disburse the funds of the Corporation, but shall not pay any bills or claims against the Corporation which have not been authorized by the Board of Directors. All checks of the Corporation shall require two (2) signatures. Those authorized to sign checks are the President, Vice President, Secretary, and Treasurer provided, however, that nothing herein contained shall be construed to prohibit the establishment by the Board of Directors of an operating, revolving petty cash fund for current expenses not to exceed \$2,000.00 into which funds may be deposited by the Treasurer and disbursements from the same may be made by the duly authorized signature of the General Manager of the Club. Replenishment of fund will be made only when properly signed receipts totaling the expenditures are furnished to the Treasurer.

Section 7.9 The Treasurer shall prepare monthly, a copy of his accounts, exhibiting in detail the receipts and expenditures of the preceding month, the cash on hand and the existing debts of the Corporation. Such accounts shall be audited by an accountant appointed by the Board of Directors and at such time as determined by the Board of Directors. Additionally, the Board of Directors may adopt a written plan for control of all receipts and disbursements not in conflict with the above. The Treasurer, General Manager, or any Officer, or employee as deemed necessary shall be bonded in an amount deemed appropriate and approved by the Board of Directors.

ARTICLE VIII CLUB OPERATIONS

Section 8.1 Operation of the Club (SCGI) shall be managed by the General Manager (GM) who reports directly to the President and Board of Directors. [Amended 11-23-2015]

Section 8.2 The General Manager of shall be responsible for all SCGI operations. The Administrative Manager and Golf Superintendent shall report directly to the General Manager. The Snack Bar, Pro Shop, and Cart Barn operations supervisors shall report directly to the General Manager. All monies, financial records, Golf Course issues and expenses of these sections will be reported to the General Manager and forwarded to the Administration office on a daily basis. All matters concerning Club operations and affairs shall be referred to the General Manager for disposition. In absence of a General Manager there shall be an acting or interim General Manager appointed by the Board until such time as a permanent manger is appointed. In this case they could choose a current employee, an outsider, or even the President of the Board, but the managerial structure remains intact. [Amended 11-23-15]

Section 8.3 The Administration Manager shall report directly to the General Manager. The AM is responsible for all corporate office duties as well as maintaining all financial records in a manner consistent with accepted accounting practices as approved by the Board of Directors. All matters regarding the Administration of SCGI shall be decided by the General Manager. [Amended 11-23-15]

Section 8.4 The Golf Course Superintendent (GCS) will report directly to the General Manager. The GCS shall be in charge of daily golf course maintenance and personnel. All matters regarding the golf course operations shall be decided by the General Manager. [Amended 11-23-15]

Section 8.5 [Deleted 11-23-15]

Section 8.6 [Deleted 11-23-15].

ARTICLE IX COMMITTEES

Section 9.1 The Board of Directors shall annually appoint such standing and special committees as may seem desirable or necessary. The Board of Directors shall have the authority to remove or replace Committee members. [Amended 1-20-99]

Section 9.2 All Committees shall meet as required and shall report to the Board of Directors. The duties each committee shall be prescribed by the Board of Directors. All Committees, except for Audit and Nominating Committees will have as a member, a

Board of Directors member who will also act as liaison to the Board of Directors. All Committees shall elect their own Chairperson.

Board of Directors Standing Committees are hereby designated as follows:

Finance; Audit; Building, House, Safety and Security; Greens and Beautification; Golf and Rules; Nominating; By Laws; Policies Rules and Regulations, Insurance; Membership; and Long-Range Planning. [Amended 1-21-21]

Section 9.3 AUDIT COMMITTEE. San Carlos Golf Club shall employ an accounting firm to conduct one detailed analysis (audit) every three (3) years. Every year the audit Committee will review the accountant's annual closing records and report to the Board of Directors. The Audit Committee shall have unrestricted access, without advance notice, to any club operations, bank statements and all financial records. [Amended 1-21-21]

Section 9.4 NOMINATING COMMITTEE. The nominating Committee, comprised of at least three (3) Designated Certificate Owners, shall be selected by the Board of Directors no later than September 30. The duty of the Committee shall be to select a number of nominees in excess of the vacancies on the Board of Directors which are to be filled by election at the Annual Meeting.

Selection of each candidate shall be governed by at least the following criteria:

1. EXPERTISE that will contribute to the management of the Corporation.
2. TIME to serve.
3. ASSURANCE that the candidate will serve, if elected.

This list of candidates, including the resumes as presented by the Nominating Committee to the Board, shall be submitted to the Designated Certificate Owners verbatim without any additions, deletions, or modifications.

Section 9.5 OTHER CANDIDATES. Any person, who would like to run for the Board of Directors, must meet the same criteria as previously stated. Their resume must be signed by at least two (2) Designated Certificate Owners as sponsors and must be presented to the Board of Directors no later than November 10 so that their names and resumes can be added to the ballot packet being mailed to Designated Certificate Owners for voting at the annual meeting. Their resumes shall be submitted to the Designated Certificate Owners verbatim without any additions, deletions, of modifications.

Section 9.6 There will be no nomination from the floor.

**ARTICLE X
BY-LAW AMENDMENTS**

Section 10.1 These By-Laws may be altered or amended by Designated Certificate Owners at any annual meeting or any special meeting called for that purpose. The vote necessary for amendment shall be a majority of those present or by proxy filed with the Secretary of the Board. All amendments passed by the Designated Certificate Owners shall become effective immediately upon passage and shall be incorporated within these By-Laws verbatim without any additions, deletions, or modifications within a reasonable time but in no event longer than 30 days after the date of passage.

These By-Laws and rules shall be binding on all Designated Certificate Owners now in existence or hereafter without necessity of their approval.

**ARTICLE XI
SAN CARLOS GOLF, INC. SALE RESTRICTION**

Section 11.1 The Board of Directors cannot dedicate, lease, sell or transfer all or any part of San Carlos Golf, Inc. grounds, facilities or operation to any public or private agency, authority, or utility without the assent of two-thirds (2/3) of the Designated Certificate Owners. The Board, at their discretion, can utilize the pro-shop profits as part of our Golf Professional's compensation. [Amended 1-18-07]

**ARTICLE XII
ROBERTS RULES OF ORDER**

Section 12.1 "Roberts Rules of Order" shall govern and prevail for all matters and things not covered hereunder and when not in conflict with any of the provisions hereof.

**ARTICLE XIII
CORPORATION SEAL**

Section 13.1 The seal of the Corporation shall be as follows:

EXHIBIT I
BY-LAWS OF SAN CARLOS GOLF CLUB
AS AMENDED JANUARY 17, 2001

VOTING PROCEDURES FOR ELECTION OF DIRECTORS

A “Judge” and two (2) “Tellers” will be appointed by the President of San Carlos Golf, Inc. All ballots, mailed or hand-delivered, must be received at San Carlos Golf, Inc. 24 hours prior to the time of the Annual Meeting. At that time the Judge and Tellers will retrieve all envelopes containing ballots. The judge will then declare the balloting closed. They will then go to a designated location to verify and count the ballots, remaining together until the process is completed. Each of the Tellers will inspect every outer envelope containing certificate number, owners’ signature and date, and compare it with a “Master List of Eligible Voters” for verification of eligibility. When eligibility has been confirmed, the outer (or larger) envelope will be opened, and the Judge will then remove the inner (or smaller) plain envelope containing the “Ballot” and place it in a sealed “BALLOT BOX” Any envelope found to be not eligible will NOT be opened. When all ballots have been placed in the “Ballot Box” the box will be opened, and the counting process will begin.

The results of the balloting will be attested by the Judge and both Tellers, placed in a sealed envelope and given to the President of the San Carlos Golf, Inc. for disclosure at the correct place in the meeting.

Any unopened envelope found to be ineligible, all opened outer envelopes, and all ballots will be retained in the office of the San Carlos Golf, Inc. for a period of not less than thirty (30) days. Any review of the election ballot materials will be supervised by the election “Judge”. [1-17-01]

PROXY VOTING PROCEDURE

Instruction for proxy voting shall be included in the ballot packet sent to all Designated Certificate Owners.