

BY-LAWS
OF THE ALGONQUIN TENNIS CLUB

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Article I - Name and Objects

Section 1. The name of the corporation shall be the Algonquin Indoor Tennis Center, Inc. (“the Club”), organized for any and all those lawful purposes set forth in its Articles of Agreement and for which a non-profit corporation may be established under the New Hampshire Revised Statutes Annotated, as the same from time to time may be amended, including but not limited to encouraging the sport of tennis, good sportsmanship and related social activities at the Club.

Section 2. The title to and corporate ownership of all property, effects, rights and assets of the Club shall be held in trust for the benefit and enjoyment of its Shareholder Members; any leases or contracts made or approved by its officers and directors shall be for the exclusive benefit of the Club consistent with its organizational purposes.

Section 3. The powers of the Club and of its officers, directors and membership, and all matters concerning the conduct and regulation of Club business, shall be subject to such provisions in regard thereto as are set forth under New Hampshire law and under the Club's Articles of Agreement and these By-Laws, as may be amended.

Article II - Seal

The seal of the Club, subject to alteration thereof by the Board of Directors, shall be a flat circular die, with the words and figures “Incorporated, New Hampshire, 1969”, together with the name of the corporation cut or engraved thereon. Pending the procurement of the permanent seal, the directors may authorize the use of a wafer seal.

Article III - Club Officers and Directors

Section 1. The Board of Directors shall have the entire management and control of the Club and of all of its properties and affairs, and exercise all the powers possessed by the corporation itself, so far as such authority is consistent with the laws of the State of

New Hampshire, the Club's Articles of Agreement or its By-Laws. In the Board's discharge of such powers for the Club, the Directors of the Board have an individual duty of care to participate in the deliberations of the Board, to inform themselves of those matters relevant to the business at hand, and to exercise their independent judgment in the decisions of the Board. Regular attendance at meetings of the Board and of those committees to which a Director may be assigned are basic responsibilities of Board membership. A duty of loyalty also requires a Director to act in the best interests of the Club and its Shareholder Members, and not to act or appear to act in his or her own interest or in the interest of an other person or entity. The Board from time to time may make, amend, and repeal such rules for the operation, governance and welfare of the Club as may seem to it expedient and consistent with the By-Laws, and shall enforce the rules so made. The Board of Directors, in its discretion and at any time, shall vote to appoint and compensate such employees, representatives, agents, and or independent contractors of the Club as it may deem advisable and exercise and delegate the supervision thereof. Although the Board of Directors, as such, may not operate the daily business of the Club, in delegating that function to others, the Board must set prudent policies and, either directly or through its committees, responsibly oversee its corporate agents in furtherance of the proper purposes of the Club.

Section 2. Subject to the terms of that Transition Period provided under Article XVII hereunder, the Board of Directors shall be comprised of nine (9) Shareholder Members in good standing as of the Shareholder Members annual meeting of 2004 and thereafter. At each annual meeting of the Shareholder Members, there shall be an election of those Directors whose terms then expire. The elected term of office of a Director of the Board shall be three (3) years, with staggered terms among the Directors of the Board such that no more than three (3) Directors in the normal course shall be elected each year. A Board Director may serve no more than two (2) successive terms. In the event a Shareholder Membership is held jointly by spouses, they may not serve concurrently as employees, Directors or Officers of the Club, nor may a Shareholder Member serve as a Director or Officer while an employee of the Club or otherwise regularly compensated for services provided to the Club. The Shareholder Members, at

any meeting duly called and noticed for the purpose thereof, by affirmative vote of two-thirds of those members appearing in person or by proxy, may remove from office any Director of the Board, with or without cause.

Section 3. The main officers of the Club shall be President, Vice-President, Treasurer and Secretary, all of whom shall be elected by the Board of Directors at its annual meeting for a one (1) year term, or until their successor(s) shall take office. Upon the affirmative vote of a two-thirds majority of all the Directors of the Board, any officer may be removed prior to the expiration of his or her term.

Section 4. Any officer or director may resign at any time by giving written notice to the Board of Directors, such notice to take effect at the time specified therein, and the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any such office because of death, resignation, removal, disqualification or any other cause, shall be filled for the unexpired portion of the term by a vote of a majority of the remaining Board of Directors at any regular or special meeting of the Board duly called and noticed for that purpose; provided that, in the instance of a vacated directorship, that the Board appointment shall so serve only until the next annual meeting of Shareholder Members held pursuant to Article XIII Section 2 hereof, at which time there shall be a general election of said vacated directorship as provided under above Article III, Section 2, for the remaining original term of the vacated directorship.

Section 5. So as to induce officers, directors and committee members of the Club to serve as such, the Club shall reimburse, exonerate, hold harmless, and indemnify each present and future officer, director, and member of a duly constituted committee of the Club for, from, or against any and all claims and liabilities to which he or she may become subject by reason of his or her having served in such capacity, and the Club shall reimburse, exonerate, hold harmless, and indemnify each for all legal and other expenses

reasonably paid or incurred in connection with any such claims or liabilities, unless such person shall have been finally adjudicated in any action, suit or proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Club or, with respect to any criminal action or proceeding, had reasonable cause to believe such conduct unlawful. The Club may compromise, settle, pay, and discharge any such claims and liabilities and pay such expenses, including attorneys fees and costs, if such settlement payment, or discharge appears in the judgment of a majority of the Boards of Directors to be for the best interests of the Club. The foregoing rights of such officers, directors, and committee members shall not be exclusive of any other rights to which they may be lawfully entitled.

Article IV - Meetings of Directors

Section 1. The annual meeting of the Board of Directors of the Club shall be held at such place and immediately following the annual meeting of Shareholder Members without further notice.

Section 2. Regular and special meetings of the Board of Directors shall be held at anytime or place whenever called by the President (or, if the President is absent or unable to act, by the Vice-President), Secretary (if a Director), or by two (2) or more Directors, upon written notice thereof being given by mail, postage prepaid, and addressed to each Director at his or her last address of record on file with the Secretary of the Club, or by true facsimile or other verifiable electronic transmission, at least ten (10) days prior to the day of such meeting by the President, the Secretary, or the Directors calling the meeting; or may be held at any time without notice, provided all the Directors are present, or those not present have waived notice thereof. Written minutes shall be kept for all meetings of the Directors, which shall be accepted or amended by majority vote at the next meeting of the Board.

Section 3. At any meeting of the Board, a majority of the Directors present in person shall be necessary to constitute a quorum for the transaction of business. When a quorum is present at any meeting of the Board of Directors a majority of such quorum present thereat shall be necessary to decide any action or matter properly brought before such meeting, except as otherwise required by law or these By-Laws.

Section 4. If agreeable to a majority of the Board, a Director may participate in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute a voting presence in person at such meeting

Article V - President and Vice President

Section 1. The President shall be a Director of the Board and the chief executive officer of the Club, but who may not hold any other main office of the Club; shall preside at all meetings of the Club's membership and of the Board of Directors; and may sign all deeds, leases, contracts, notes and/or other instruments to be executed on behalf of the Club, and, with the Treasurer, shall sign all stock certificates issued to Shareholder Members. The President shall perform all the duties commonly incident to such office and shall perform such other duties and have such other powers as the Board of Directors may from time to time designate.

Section 2. The Vice President shall be a Director of the Board and shall have such powers and perform such duties as may be delegated by the President or Board of Directors. In the absence or incapacity of the President, the Vice President shall perform the duties and exercise the full powers of the President.

Article VI - Treasurer

Section 1. The Treasurer, who need not be a Director of the Board, shall keep the

accounts and have the care and custody of all the funds of the Club; shall collect all dues, assessments, fees and other payments due to the Club, make all payments for the Club; and shall have and exercise under the supervision of the Board all the powers and duties commonly incident to such office. The Treasurer shall have the power to sign and affix the corporate seal to stock certificates, and those deeds, leases, authorizations, agreements, notes and/or other instruments designated by the Board and so authorized by it on behalf of the Club.

Section 2. The Treasurer shall have the custody of the monies, funds, and accounts of the Club, and of such associated documents, ledgers books, records, papers and accounts, and shall deposit all the funds of the Club in such bank or banks, trust company or trust companies, or with such investment and custodial firm or firms as the Board of Directors may from time to time designate. The Treasurer may, on behalf of the Club, endorse for deposit or collection, all checks, notes and other obligations payable to the corporation or its order, and may accept drafts on behalf thereof and shall keep accurate books of account of all financial transactions, which books shall be the property of the Club, and, together with all other of its property in the Treasurer's possession, shall be subject at all times to the inspection and control of the Board of Directors and its designees. All receipts and vouchers payment made to the Club, and checks, drafts, notes and other corporate obligations for the payment of money by the Club, shall be signed by the Treasurer, except as the Board of Directors may otherwise specifically authorize. Checks and drafts by the Treasurer need not be further countersigned, unless otherwise ordered by the Board of Directors.

Section 3. In the absence or incapacity of the Treasurer, the duties of the Treasurer may be performed by the Assistant Treasurer, or by a Temporary Treasurer so appointed by the Board.

Article VII - Secretary

Section 1. The Secretary of the Club shall be a Director of the Board, shall diligently endeavor to be present at all meetings of Shareholder Members and of the

Board of Directors, and shall keep accurate records of such proceedings in such corporate minute books as may be provided for that purpose, which books shall be open at all reasonable times to the inspection of any Shareholder Member or Director. The Secretary shall keep at the registered office of the Club a record of the names and addresses of its membership; shall perform all the duties commonly incident to the corporate office of Secretary; shall have custody of the corporate seal of the Club; and shall perform such other duties and have such other powers as the Board of Directors may from time to time designate.

Section 2. An Assistant Secretary may be elected by the Board of Directors and perform the duties and exercise the powers of the Secretary in absentia, or the Board of Directors may appoint a Secretary pro tem for such purposes.

Article VIII - Compensation of Officers or Directors

No Officer or Director of the Board shall receive any compensation from the Club, but may be reimbursed for out-of-pocket expenses incurred in performing such duties upon approval of the Board.

Article IX - Committees of the Club

Section 1. The Board, by resolution passed by a majority of the voting Directors, may establish one or more ad hoc committees as it deems expedient to serve at the pleasure of the Board. Members of such ad hoc committees shall be appointed by the Board from among its Directors and or from the membership of the Club at large, and a chair appointed by the President from among the committee's membership. Such committee or committees shall have such power and authority and name or names as may be determined from time to time by resolution adopted by the Board of Directors, and shall keep regular minutes of its meetings and report the same to the Board of Directors as requested.

Article X - Club Finances

Section 1. The fiscal year of the Club shall be that twelve (12) month period beginning on July 1st of each year.

Section 2. No later than fourteen (14) days prior to the annual meeting of the Shareholder Members, the Board of Directors shall adopt an annual budget proposed for the next fiscal year of the Club, containing an estimate of the total amount of Club revenues and expenses anticipated for that fiscal year. The annual budget shall constitute the basis for the Board's determination of that year's membership dues and assessments.

Upon adoption of the budget by the Board, the Secretary shall mail and include such budget with the notice of annual meeting to each Shareholder Member then of record and in good standing.

Unless a majority vote of the Shareholder Members appearing in person or by proxy at the annual meeting of the Club rejects or otherwise revises the budget proposed by the Board, that budget then shall be deemed ratified irrespective of whether a quorum is present at the meeting. If the budget is rejected by majority vote of the Shareholder Members at the meeting, the earlier budget then presently in effect at the time of the annual meeting shall continue as the interim budget for the Club until such time as the Shareholder Members ratify that budget to be proposed by the Board of Directors at the next meeting of the Shareholder Members, to be held not later than thirty (30) days following such annual meeting.

Section 3. The Treasurer may charge or order individual special assessments to

any member for use of the Club's facilities or any service or expense incurred by the Club benefiting that member only, or on account of damage to Club property done by a member or his or her agents, or other such liability incurred by the member to the Club, accompanied by a statement in writing giving the amount, terms and description of it. All members so notified shall be obligated to pay the Club charge or assessment upon presentation unless the term of payment is extended or waived by vote of the Board of Directors. Special assessments to discharge unforeseeable liabilities incurred by the Club shall be payable pro rata by all Shareholder Members as ordered by vote of the Board of Directors at anytime.

Section 4. Within six (6) months subsequent to the close of the fiscal year, the Treasurer shall prepare an itemized accounting for the past fiscal year of expenses paid or accrued by the Club, an accounting of all amounts collected and due the Club, and a statement of all its reserve balances, a statement of the Club's tangible and intangible assets, and shall make such report of the Club's finances to the Board of Directors in such form as it may direct.

Any deficiency found with regard to Club expenses exceeding its cash assets, after application of such reserves as the Board of Directors may deem appropriate, shall be assessed promptly against the Shareholder Members of the Club, payable either in full by the Board-designated due date, or over a period by installment payments as the Board of Directors may determine.

Section 5. The Board of Directors shall maintain reasonable reserves for the anticipated working and other capital requirements of the Club. However, if the funds available to the Club for payment of extraordinary and unanticipated expenses are deemed to be inadequate or inexpedient by the Board for any reason, the Board may at any time levy a special assessment chargeable against the Shareholder Members pro rata, which shall be payable in a lump sum or in such installments as the Board may

determine.

Section 6. The Board of Directors shall control and manage the property of the Club and its corporate finances, but shall have no power to make the Club liable for any indebtedness, absent authorization by majority vote of the Shareholder Members present in person or by proxy at a meeting of the Shareholder Members duly called and noticed for the purpose.

Section 7. All the books and financial records of the Club shall be the property of the Club and kept in the custody of its Treasurer in accordance with customary accounting principles and practices. Any Shareholder Member in good standing shall have the right to inspect at reasonable times the books and records of the Club at its registered offices for any proper purpose. The Board of Directors may have the books and accounts of the Club audited in its sole discretion at any time by a professional auditor or by an ad hoc auditing committee appointed by the Board.

Section 8. Each member shall be obliged to pay to the Club, by its authorized representative, all dues, assessments and charges as the Board of Directors may properly direct in accordance with these By-Laws, including charges for late payment, legal fees and other costs incurred in the collection thereof. No dividends shall be paid and no part of the income of the Club shall be distributable to its members, directors, or officers.

Section 9.

Any member with dues, assessments or other charges unpaid more than thirty (30) days after due the Club, shall be deemed not a member in good standing and shall have all membership privileges hereunder suspended upon notification by the Treasurer, or other person authorized by the Board, including revocation and reassignment of the privilege of utilizing or enjoying any and all of the Club's facilities and services of every

description, and shall have no right to vote as a member on any Club matter until all such outstanding dues, assessments and charges, including accrued interest and costs thereof, have been discharged in full, and the member reinstated by the Board.

Obligations outstanding by a member for more than six (6) months may subject the member to suspension, expulsion and such other disciplinary action as may be taken by the Board in accordance with these By-Laws.

No member may exempt him- or herself from liability for membership dues and assessments by waiver or suspension of the enjoyment or privilege to use any of the Club's services or facilities. The obligation to pay dues and other amounts properly assessed under these By-Laws is absolute and unconditional, and shall not be subject to set-offs or counterclaims, except as allowed by vote of the Board in its sole and absolute discretion.

Article XI - Club Membership

Section 1. The membership of the Club shall be of two classes, defined as follows:

- A. Shareholder Members: Memberships of this class shall not exceed eighty (80) in number, and shall be entitled to a certificate for one share of corporate stock in the Club, and shall have those rights, privileges and duties provided under the Club's Articles of Agreement and By-Laws.

- B. Associate Members: Memberships of this class shall have no ownership interest in the Club, and shall be of such number and enjoy such privileges

as the Board of Directors by resolution from time to time may determine, subject to approval by majority vote of the Shareholder Members.

Section 2. Shareholder memberships: To remain in good standing as a Shareholder Member, entitled to vote and enjoy the privileges thereof, the member must remit all membership assessments and dues when payable, meet and continue to satisfy at all times all other conditions for membership as provided under these By-Laws, and comply with the rules and regulations of the Club as may be adopted from time to time by the Board of Directors. Shareholder Members shall be entitled to only one vote for each membership held in his or her name, or jointly in the name of his or her spouse.

Section 3. Associate membership in the Club shall be individually conferred in the discretion and at the pleasure of the Board of Directors. Associate Members shall not vote or attend Shareholder membership meetings, nor exercise those other rights and privileges exclusive to Shareholder membership, but may enjoy the use of the Club's facilities upon such terms and to such extent as the Board of Directors by resolution from time to time may determine and upon payment of an associateship fee in such amount as the Board shall determine annually, and further conditional upon remaining at all times in good standing with the Club.

Section 4. If any member of the Club shall be charged in writing, addressed to the Board of Directors and signed by a member or employee of the Club, with violation of the By-Laws of the Club, or of its rules or regulations, or with alleged misconduct of the member, or that of the member's guest, which has endangered the welfare, interests, or good order of the Club, or if the Board or any of the Club's committees shall become cognizant of such alleged violation or misconduct, the Board shall inform the member so charged in writing. If, after giving the person so charged an opportunity to be heard before a meeting of the Board, the Board shall be satisfied of the truth of the charge, and that the same demands disciplinary action, the Board may proceed to fine or suspend

such member for a period of not exceeding six (6) months from the privileges of Club membership and any use of the Club's premises or facilities; or order such other equitable remedy or restitution as it deems appropriate. The Board in egregious cases may request such member to resign.

If an Associate Member declines to resign at the request of the Board, it may proceed to expel the Member. An affirmative resolution of the voting majority of the Board shall be sufficient for expelling or suspending an Associate Member.

A two-thirds (2/3rds) vote of all the Directors of the Board however shall be required to recommend to the shareholder membership expulsion or suspension of a Shareholder Member for misconduct. At any time within thirty (30) days after a Board vote for expulsion of a Shareholder Member (but not of an Associate Member), a special meeting of the Shareholder Members shall be called and the reason therefor duly noticed, and the expulsion or suspension of the Shareholder Member shall be voted by a majority of the Shareholder Members of record and in good standing as of the date of such meeting. In the event of the resignation or expulsion of a Shareholder Member, the Club at the discretion of the Board may elect to receive from the past member, for consideration paid by the Club, the termination of any remaining claims of interest in the Club in accordance with those provisions of extinguishment set forth under these By-Laws.

Section 5. The privileges and use of the Club's facilities for Shareholder Members shall extend to his or her spouse, and to unmarried dependent children who are under the age of twenty-one residing at home or a full time undergraduate student. Invitees and guests of members are permitted on the premises only in the company of the member.

Invitees and guests of members, at the reasonable discretion of an elected officer

or director, may be required to leave the Club's premises upon their misconduct violative of the good order of the Club. In such instances, the sponsoring member of the transgressing invitee or guest may be held answerable to the Board and subject to its further disciplinary action against the member.

A member or past member who is then currently suspended or who has been expelled by action of the Board shall not be invited onto the Club premises as the guest of any other member. Any member who knowingly brings a suspended or expelled member on the Club premises shall be subject to disciplinary action by the Board of Directors as it deems appropriate. Any unauthorized person, including one who is a suspended or expelled member, who comes upon the Club premises shall be deemed a trespasser subject to criminal prosecution.

Section 6. Club dues, assessments and charges to members are payable in strict accordance with their billing terms. A member's privileged use of the Club's facilities and premises is conditional upon the member's good standing with the Club, which includes the timely satisfaction of the member's financial obligations to the Club as these become payable. A refusal or failure of a member to discharge outstanding obligations to the Club for a period of six (6) or more months overdue shall subject the member to suspension or expulsion in accordance with these By-Laws.

Section 7. It shall be the duty of each member of the Club to give the Secretary in writing his or her correct and current address to be recorded in the Club's membership list. Any notice required by the By-Laws to be given to a member shall be sufficient if mailed to such member at the last address so furnished and recorded. Notices so mailed to members shall be equivalent to notice by posting on the Clubhouse Bulletin Board whenever such may be required by these By-Laws.

Article XII – Shareholder Quorums, Voting Power and Proxies

Section 1. At any meeting of Shareholder Members, a majority of such members entitled to vote thereat, as represented by such members then of record and in good standing present in person or by proxy, shall be sufficient to constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time, and such meeting, as so adjourned, may be held without further notice.

Section 2. At each meeting of the Shareholder Members, every Shareholder Member of record and in good standing as of the date of such meeting shall be entitled to one vote, provided that in the case of jointly held spousal memberships, only one vote shall be cast and counted thereof. Each Shareholder Member entitled to vote may vote either in person or by written proxy. Except as otherwise provided by law, the Club's Articles of Agreement or these By-Laws, all matters coming before any meeting of Shareholder Members shall be decided by the majority vote of those present and voting in person or by proxy and entitled to vote thereat, a quorum being present.

Section 3. A vote may be cast in person, or by proxy in writing and filed with the Secretary or the meeting's presiding officer before the appointed time of the meeting. A proxy may be revoked only by giving the Secretary or the officer presiding over the meeting a written notice of revocation from the person signing the proxy. No proxy shall be valid for more than three (3) months. A proxy is void if it is not dated. Proxies transmitted by any electronic, electrical, or telephonic means which results in or produces a written or printed document or facsimile thereof shall be deemed a valid proxy as to any matter properly brought before any meeting of the Shareholder Members.

Article XIII - Meetings of the Club

Section 1. All meetings of the Club, its members, officers, directors and committees, shall be held at the Tennis Center facilities of the corporation in Hooksett, New Hampshire, unless some other place is definitely stated in the written call and notice of meeting.

Section 2. The annual meeting of Shareholder Members shall be held upon due notice at 7:00 p.m. on the second Tuesday of September of each year. The order of business to be transacted at annual meetings of the Shareholder Members in the ordinary course shall be as follows:

1. Determination of Quorum
2. Determination of due Notice of Meeting.
3. Reading and approval of Minutes of Preceding meeting.
4. Report of Directors.
5. Report of Treasurer.
6. Ratification of the forthcoming year's Budget.
7. Completion of Unfinished Old Business.
8. Election of Directors.
9. Transaction of New Business.
10. Adjournment.

Providing however that the above order of business may be changed by a vote of the majority of the Shareholder Members present in person or by proxy at an annual meeting.

Section 3. Special meetings of the Shareholder Members shall be held whenever called by the President or by the Board of Directors, or whenever Shareholder Members having ten (10%) percent of the votes entitled to be cast at such meeting, shall make written application therefore to the Secretary stating the time, place, and purposes of the meeting.

Section 4. Except as otherwise provided by law, written or printed notice of all meetings of Shareholder Members, whether annual or special, stating the place, day and hour thereof together with the purposes for which such meeting is called, shall be given by the Secretary, by mailing the same, postage prepaid, and addressed to each Shareholder Member of record and entitled to vote thereat at his or her last known address of record, not less than ten (10) nor more than fifty (50) days prior to the date of

the meeting.

In the absence or disability of the Secretary, such notice may be given by the Assistant Secretary or a Secretary pro tem designated by the Board of Directors, or by the person or persons duly calling the meeting in accordance with these By-Laws.

Section 5. At all meetings of the Club, including those of its Board of Directors and Shareholder Members, the most recent edition of Robert's Rules of Order shall be followed, except in the event of conflict with these By-Laws.

Article XIV - Transfer and Extinguishment of Shareholder Membership

Section 1. The aggregate number of Shareholder Memberships of the Club shall at no time exceed eighty (80).

Section 2. A transfer or extinguishment of a Shareholder Membership in the Club may be effected only under the following terms and conditions. No membership shall be gifted, devised, transferred, sold, or otherwise disposed of except strictly in accordance with the procedures hereinafter provided:

- A. No member may pledge, assign or otherwise encumber his or her membership in the Club.
- B. A Shareholder Member in good standing may transfer membership by irrevocable gift inter vivos, or by succession at death to any beneficiary subject to the rights of the Club as provided in Paragraph E below.
- C. A Shareholder Member in good standing may transfer his or her membership in the Club (other than by gift or devise) and the Club shall attend to the transfer thereof upon its books and records, only upon exact compliance by the parties with the procedural and substantive requirements of Paragraph D below.

- D. A Shareholder Member wishing to transfer his or her membership in the Club shall first deliver to its then President (or Vice President in the absence of the President) an offer in writing to retransfer such membership to the Club for an amount equal to the highest bona fide offer therefor duly made to the member, in writing by a potential transferee thereof, and a photocopy of the identified potential transferee's offer shall accompany the transferor Shareholder Member's offer to the Club. Such offer to the Club shall continue for seven (7) days (unless the Board of Directors and the transferor Shareholder Member shall mutually agree in writing to extend or shorten such waiting period), during which period the Board may evaluate the candidate member's (the potential transferee's) prospects as a Shareholder Member, who must be a natural person, and make its recommendation for the Board's discretionary action.

In the event the Club rejects the transferor Shareholder Member's offer, or fails to accept the transferor Shareholder Member's offer within the above said period, it shall be deemed rejected and the transferor Shareholder Member shall thereupon be free to transfer such membership only to the identified potential transferee and in accordance with the offer made. Upon such transfer in accordance with these provisions, and the payment in full of all outstanding dues, assessments and charges owing to the Club by the transferor Shareholder Member, the Club shall see to the due transfer and recording of such Shareholder membership and presentation of a duly prepared stock certificate in the individual or joint spousal name(s) of the new member, as they may designate on application, and that Club membership held by the transferor past member shall thereupon be extinguished.

In the event the Club accepts the transferor Shareholder Member's offer by affirmative vote of its Board of Directors, subject to appeal pursuant to paragraph F below, the Treasurer, after payment of any outstanding dues, assessments and charges due to the Club from the transferor Shareholder Member, shall disburse to the said withdrawing member the net balance of the agreed purchase price, whose membership in the Club shall thereupon be extinguished.

- E. Any Shareholder Member wishing to transfer a membership in the Club by inter vivos irrevocable gift, or the executor or administrator of the estate of any Shareholder Member wishing to accomplish the transfer of such membership to a natural person as the Shareholder Member's beneficiary, shall first offer it to the Club through its President for consideration equal to the average of that amount paid by the last three transferees of Shareholder memberships.

While it shall be the ordinary policy of the Club for the Board of Directors not to be unreasonable in exercising such option, but rather to permit the transfer of Club membership as applied for by the Shareholder Member or the administrator of his or her estate, the Board of Directors in its reasonable discretion and by majority vote may accept such offer on behalf of the Club to purchase the membership to be transferred. In the event of such Club acceptance, subject to appeal pursuant to Paragraph F below, the membership shall be surrendered to the Treasurer of the Club, who shall then make payment in consideration of such membership pursuant to those procedures set forth under Paragraph D above, including those for its extinguishment.

- F. At any time within fourteen (14) days after the Board's notification to the transferor of its intent to exercise the Club option to purchase a Shareholder membership in accordance with the provisions of paragraphs D and or E above, and if requested in writing to the Secretary by the Shareholder Member affected, or by the executor of his or her estate, or by any eight (8) Shareholder Members of the Club, a special meeting of Shareholder Members shall be called and the reason therefor duly noticed, at which meeting an appeal may be taken from the Board decision to exercise the Club option. The transfer of the membership shall be allowed to be made as originally contemplated by the Shareholder Member, if receiving an affirmative vote in favor of such transfer by a majority of the Shareholder Members of record and in good standing as of the date of such meeting.
- G. As a convenience to Shareholder Members who may at any time wish to withdraw their membership from the Club, and as an accommodation to persons wishing to become Shareholder Members, the Secretary of the Club shall regularly maintain a register of the names and addresses of persons who have executed written applications for candidacy as Shareholder Members in the Club. Upon request, the Secretary may make available both to such candidate members, as well as to any Shareholder Members wishing to withdraw membership, that information available to it as to lists of those persons wishing to withdraw from and those wishing to join

the Club, and make available various information to candidate members concerning the facilities, operations, privileges, duties, rules and membership opportunities of the Club. In no instance shall the Secretary, Board, staff or any Club member accept any compensation or fees relating to such services, nor shall they be deemed an agent or broker for any present member or candidate member, for the Club, or for its officers or directors.

- H. No membership shall be transferred until all outstanding dues, assessments and charges owed to the Club by the withdrawing member, including but not limited to that of the current year's membership dues and assessments (unless waived by majority vote of the Board of Directors in expectation of the receipt thereof from the successor member), as well as the pro-rated then share of such dues and assessments for the year, shall first have been paid in full.

Any person ceasing to be a Shareholder Member of the Club shall thereby unconditionally extinguish all privileges of membership and rights in the Club of every description.

Section 3. The membership lists of the Club, in anticipation of scheduled meetings of Shareholder Members, may be closed by the Secretary from time to time for such period as the Board of Directors shall determine, but no such period shall be for less than ten (10) nor more than fifty (50) days.

Article XV - Dissolution

Section 1. The Club may dissolve and wind up its activities as follows: The Board of Directors may adopt a resolution by a two-thirds (2/3rds) majority of its voting Directors recommending that the Club be dissolved, and directing that the question of such dissolution be submitted to a vote at a meeting of the Shareholder Membership then in good standing, which may be either an annual or a special meeting. Written notice, stating the purpose, or one of the purposes, of such meeting is to consider the advisability of dissolving the Club, shall be given to each Shareholder Members entitled to vote at such meeting within the time and in the manner provided in these By-Laws for the giving of notice of meetings of Shareholder Members. A resolution to dissolve the Club shall be

adopted upon receiving at least a two-thirds (2/3rds) majority of the votes of those Shareholder Members present at such meeting in person or by proxy.

Section 2. Upon the adoption of such resolution to dissolve at a meeting of the Shareholder Members, the Club shall cease to conduct its activities except insofar as may be necessary for the winding up thereof, shall immediately cause a notice of the proposed dissolution to be mailed to each known creditor of the Club; and shall proceed to liquidate and collect its assets and apply and distribute them as provided under applicable New Hampshire law.

Section 3. Any assets of the Club, or proceeds resulting from the sale, conveyance or other disposition thereof remaining after satisfaction of all the Club's debts and liabilities shall be distributed among those remaining Shareholder Members in proportion to their respective membership interest(s) in the Club, less any outstanding dues, assessments and charges due to the Club by such Shareholder Member. The individual dissolutive interest of each Shareholder Member in the residual assets of the Club shall be represented by a fraction - the numerator of which shall be the number of Shareholder Member votes held in the person of such member, and the denominator of which shall be total number of Shareholder memberships outstanding as of the date of the Club's final dissolution.

Article XVI - Amendment of By-Laws

These By-Laws of the Club may be altered, amended, or repealed, or a new By-Law made, at any regular or special meeting of the Shareholder Members by a two-thirds (2/3rds) vote in favor by those present in person or by proxy thereat, provided due notice of the proposed amendment or the substance thereof is duly given in the call of the meeting.

Adopted September 14, 2004