

in person, by absentee ballot or by proxy and entitled to vote at any duly called and constituted annual or special meeting. A proposed amendment must be set forth in the notice of the meeting.

C. Amendments by Governors

Except as provided for in this Article XII, Section A, the Board of Governors by a two-thirds vote of the entire Board may amend, alter, repeal or adopt new bylaws provided, however, that prompt notice of any such change is given to the voting members and that any such amendment, alteration, repeal, or addition to the bylaws must be ratified by a majority of the votes cast by voting members of the Club, which vote shall be included on the agenda at the next annual meeting of the voting members of the Club. The Board of Governors by a two-thirds vote of the entire Board may make technical and ministerial corrections to the bylaws without the necessity of ratification by the voting members.

Article XIII - Invitation to Membership

A. Nomination

Nomination of candidates for membership in any classification and the terms and conditions for consideration of such nominated candidates, shall be made under such rules as may, from time to time, be adopted by the Board of Governors.

B. Sponsor and Secondor

A candidate for membership shall have a qualified sponsor and secondor whose personal knowledge of the candidate shall be deemed sufficient by the Board of Governors to qualify them for introducing their candidate for membership consideration. Members of the Board of Governors and officers of the Club may not act as a sponsor or secondor for a candidate for membership. A candidate for Active A membership may only be sponsored by an Active A member and may only be seconded by an Active A or Active B member. A candidate for Active B membership may only be sponsored by an Active A member or an Active B member and may only be seconded by an Active A member or an Active B member. A candidate for Social membership may be sponsored and seconded by any member except a

Non-resident member, provided that only one of either the sponsor or the secondor may be a Social member.

C. Required Vote to Invite to Membership

Recommendations for invitation to membership shall be presented to the Board of Governors by the Membership Committee at a duly called and constituted meeting of the Board. Upon presentation of a candidate to the Board of Governors, the affirmative vote of all but two of the Governors shall be required for the invitation of the candidate to membership in the Club. Voting by the Board on a candidate shall be by secret ballot.

D. Reproposal of Rejected Candidate

A candidate who has been proposed and whose nomination for membership has either been withdrawn or been unfavorably acted upon may not be proposed for membership for a period of two years from the date of withdrawal or vote on the nomination. Should the candidate subsequently be nominated for membership in accordance with the above and again fail to receive favorable action, the candidate shall not again be eligible for nomination to membership in the Club, except upon the unanimous vote of the Board of Governors.

E. Membership Certificates

1. Except with respect to non-resident memberships for which there shall be no membership certificates, any candidate who has been approved for membership by the Board of Governors and who has paid the required fees, dues, assessments and charges for the approved membership will receive a Membership Certificate. The Membership Certificate will be in a form approved by the Board of Governors from time to time and will be signed by the President and Secretary of the Club. The Certificates shall contain a legend restricting ~~transference of the Certificate per the terms of these bylaws.~~

Upon approval by the Board of a new form of Membership Certificate, all existing forms of Membership Certificates shall be automatically deemed to conform with the new Membership Certificate form.

2. Membership Certificates are not redeemable or transferable except as specifically provided by these bylaws. Whenever any member ceases to be a member, for any reason whatsoever,

ever, such cessation will operate to authorize, but not obligate, the Treasurer of the Club, with the approval of the Board of Governors, to effectuate the redemption, cancellation, reacquisition or reissuance of the Membership Certificate in accordance with and in the manner prescribed by these bylaws, regardless of whether the Membership Certificate is physically surrendered by the member.

Article XIV - Classes of Membership

A. Three Classes of Resident Membership

There shall be three classes of resident memberships, which shall be available only to resident property owners of Lost Tree Village. Per the Club's Articles of Incorporation, two membership classes hold stock in the Club corporation; Active A, which refers to the Club's Class A stockholders, and Active B, which refers to the Club's Class B stockholders. The third membership class, Social, does not hold stock in the Club corporation. The requirement of resident property ownership shall be strictly construed. If, for any reason, a member ceases to meet the resident ownership requirement, that member shall be deemed to have resigned its resident membership in the Club, except as otherwise provided in these bylaws.

A resident member of the Club may petition the Board of Governors for a temporary exception to the resident property owner requirement in accordance with rules adopted by the Board from time to time, which petition may be granted or denied in the discretion of the Board of Governors. In order to be considered by the Board, such petition must be filed while the resident member meets the definition of a resident property owner. In no event may temporary exceptions, collectively, extend for more than 12 months from the date the resident member no longer meets the definition of a resident property owner.

B. Resident Property Owner Defined

A resident property owner is a natural person who, either directly or indirectly, is the sole owner or the joint owner with his or her spouse of the fee interest or is the sole owner of an irrevocable life estate in a residence in Lost Tree Village in which he or she actually resides while in the area, or which is under con-

struction (and in which upon completion, such person will actually reside while in the area), provided, that if the residence is not so occupied within eighteen months after construction begins, such person shall no longer be deemed a resident property owner unless a specific waiver extending such time is granted by the Board of Governors; and provided further, that the owner(s) of the residence must be a member of the Lost Tree Village Property Owners Association.

A person whose spouse is a resident property owner may also be treated as a resident property owner for the purpose of qualification for membership at the discretion of the Board of Governors. Neither mere ownership of a residence or other property in Lost Tree Village, nor ownership of an undivided or other limited interest (except as indicated above) in a residence or other property in Lost Tree Village constitutes the person a resident property owner.

C. Trust or Corporation Holding Residence or Certificates

For the purposes of Section B and paragraphs E.1.a., E.2.a., and E.3.b. of this Article XIV, a person shall be deemed to own a residence or membership certificate if:

1. Certificates

such certificate is held in the name of a trustee or third party pursuant to a trust or other written instrument, the terms of which provide that (a) that person shall have the exclusive power to exercise, or direct the exercise of, all voting and other rights under such certificate and (b) upon the termination of the trust or other written instrument, for any reason other than the death of that person, the certificate shall revert to the sole ownership of that person, or

2. Residence to Corporation, Partnership or Limited Liability Company

such residence is owned by a corporation, partnership or limited liability company and all of the outstanding stock, partnership interests, or membership interests of such entity is owned by that person; if, for any reason, that person ceases to meet the above entity ownership requirements, that person shall no longer be deemed to own a residence within the meaning of this Article. XIV, Section C; or