



OLDFIELD CLUB

AMENDED BYLAWS

Effective _____, 2002

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OLDFIELD CLUB

AMENDED BYLAWS

Article I **Name, Principal Office, and Definitions**

1.1. Name.

The name of the corporation is Oldfield Club.

1.2. Principal Office.

The principal office of the Club shall be located at the Club Facilities. The Club may have such other offices, either within or outside the State of South Carolina, as the Board of Directors may deem appropriate.

1.3. Definitions.

The words used in these Bylaws generally shall have their normal, commonly understood definitions. Capitalized terms shall have the meanings set forth below, unless the context indicates otherwise:

"Articles" means the Articles of Incorporation of the Club filed with the South Carolina Secretary of State, as they may be amended.

"Authorized Golf Memberships" means the maximum number of Memberships with golfing privileges that the Club is authorized to issue as provided in Section 2.4.

"Authorized User" means a person authorized to enjoy the use privileges of a particular Membership as provided in Section 2.3.

"Board" or "Board of Directors" means the board of directors of the Club, selected as provided in Article IV.

"Bylaws" means these Bylaws of Oldfield Club, as they may be amended.

"Candidate Profile" means the form that a prospective Member completes and submits to the Club pursuant to Section 2.5 in order to be considered for Membership.

"Club" means Oldfield Club, a South Carolina nonprofit corporation.

"Club Facilities" means all land, buildings, facilities and amenities owned or to be owned and operated by the Club for the use and benefit of its Members. The Club Facilities presently planned or under construction include the following: (i) an 18-hole golf course designed by Greg Norman and practice facilities; (ii) a Golf House with men's and ladies' locker rooms, a golf shop, and grill; (iii) the River House, a dining and banquet facility with a community dock; (iv) an Outfitters Center with boats,

kayaks, and fishing gear; (v) an Activity Center with a swimming pool, tennis courts, and fitness center; and (vi) maintenance and other supporting facilities. The number, size, scope, and nature of the Club Facilities are subject to change in the sole discretion of the Sponsor until the Turnover Date. The Sponsor intends to construct the Club Facilities in several phases.

"Club Manager" means a general manager employed by the Board of Directors to oversee the day-to-day operations and management of the Club and the Club Facilities.

"Club Rules" means such rules and regulations governing operation of the Club, use of the Club Facilities, and conduct of the Members, as the Board may adopt and amend pursuant to Section 4.16.

"Community" means the planned development located in Bluffton, South Carolina, and commonly known as Oldfield, which consists of all real property made subject to the Declaration of Covenants, Conditions, and Restrictions for Oldfield recorded in the Office of the Register of Deeds of Beaufort County, South Carolina, as it may be amended and supplemented from time to time.

"Community Developer" means Oldfield, LLC, a South Carolina limited liability company, its successors or assigns.

"Cottage" means a home or homesite in that portion of the Community that is subject to the Cottage Recreational Covenant.

"Cottage Recreational Covenant" means the Declaration of Recreational Covenant for Oldfield Cottage Lots, recorded by Oldfield, LLC in the Office of the Register of Deeds for Beaufort County, South Carolina, as it may be amended and supplemented from time to time.

"Designated Adult" means an adult permanently residing in the household of a Member, its Designee, or its assignee approved pursuant to Section 2.3(c), whom the Member, Designee, or assignee, respectively, designates in writing to the Club to enjoy the use privileges of the Membership pursuant to Section 2.3.

"Designee" means the individual designated pursuant to Section 2.2 by a Member that is a Legal Entity to exercise the privileges of the Membership.

"Eligible Purchaser" means a person who: (i) purchases a home site from the Sponsor and applies for Oldfield Equity Golf Membership prior to closing such purchase; or (ii) holds an Equity Golf Membership in good standing and purchases a second home site from the Sponsor, in which case the Member shall be eligible, for a period of two years from the date of closing such purchase, to apply for another Oldfield Equity Golf Membership for the second home site or assign such eligibility to the purchaser of one of the home sites, who must apply for such Membership prior to closing such purchase; or (iii) purchases a new home in the Community from a builder designated by the Sponsor, applies for Oldfield Equity Golf Membership prior to closing such purchase, and closes such purchase within two years from the date the Sponsor conveyed the home site to such builder, provided the builder purchased the home site from the Sponsor for purposes of constructing a home on the home site for resale in the ordinary course of its business.

"Equity Golf Membership" means an Oldfield Equity Golf Membership or an Invitational Equity Golf Membership, or either of them, as described in Section 2.1(a)(i)(B).

"Golf Commencement Date" means the date on which periodic dues first commence for all outstanding Golf Memberships, which shall be the first day of the first month in which the 18-hole golf course is open for regular play.

"Golf Facilities" means the golf course, golf practice facilities and the Golf House that are planned as part of the Club Facilities.

"Golf Membership" means an Equity Golf Membership, a Non-equity Golf Membership, a Corporate Golf Membership, a Cottage Golf Membership, or any of them.

"Legal Entity" means a corporation, a partnership, a limited liability company, a trust, or any other form of legal entity recognized by law, other than a natural person.

"Majority" means more than 50% of the total eligible number of votes, Members, or other group, as the context may indicate.

"Member" means an individual or legal entity holding a Membership in the Club and, unless otherwise specified, refers to any member, regardless of the category of Membership held.

"Membership" means such memberships in the Club as are authorized from time to time pursuant to Article II, and more specifically to the bundle of rights and privileges granted to each Member, which varies according to the classification of the Membership. Unless otherwise specifically provided in these Bylaws, when the term is used in its collective sense it shall refer to all Members of the Club in whose name Memberships are issued and outstanding at a particular time.

"Membership Agreement" means the membership agreement that a prospective Member executes and submits to the Club upon being invited to become a Member of the Club pursuant to Section 2.5.

"Membership Certificate" means a certificate issued by the Club for a particular Membership pursuant to Section 2.6 indicating the Membership classification and the name of the Member(s) to whom it is issued.

"Membership Contribution" means the purchase price paid by a Member for a specific Membership in the Club.

"Membership Fees" means the Membership Contribution as well as all dues, assessments and other charges payable to the Club by any Member.

"Offering Plan" means the Plan for Offering of Memberships in Oldfield Club and all exhibits thereto, as it may be amended.

"Property" means a home or home site located within the Community.

"Social Commencement Date" means the date on which periodic dues first commence for all Community Memberships, which shall be the first day of the first month following the date on which the River House is first available for use.

"Social Facilities" means the Activity Center, the Outfitters Center and the River House that are planned as part of the Club Facilities.

"Sponsor" or "Sponsor Member" means Oldfield, LLC, a South Carolina limited liability company, or any successor, assign or successor in interest that is specifically designated as the Sponsor hereunder in a written instrument executed by the person then holding the rights of the Sponsor.

"Transfer Agreement" means that certain Agreement for Transfer of Assets entered into between the Sponsor and the Club providing for construction and transfer of the Club Facilities to the Club.

"Transfer Date" means that date when the Sponsor transfers, by recorded deed, the ownership of particular Club Facilities to the Club pursuant to the terms of the Transfer Agreement.

"Turnover Date" means the date upon which the Sponsor's right to appoint the members of the Board of Directors terminates and the equity Members are entitled to elect the Board, which shall occur within 180 days after the earlier of the following:

(a) the initial sale of all Authorized Golf Memberships to persons other than the Sponsor or affiliates of the Sponsor; or until the Sponsor has sold all home sites planned for the Community, whichever shall last occur; or

(b) upon Sponsor's election at any time following the third anniversary of the Golf Commencement Date or the Social Commencement Date, provided that the Club has had a positive cash flow from operations for a minimum of 12 months; or

(c) the Members' election at any time after the tenth anniversary of the sale of the first Golf Membership, upon the affirmative vote of Community Members entitled to cast at least 51% of the votes of Community Members and the affirmative vote of Equity Golf Members, Corporate Golf Members, and Cottage Golf Members entitled to cast at least 51% of the total votes of held by Members holding such categories of Membership, provided that at least 51% of the Authorized Golf Memberships have been issued and are outstanding at the time of such vote.

"Voting Power" means the vote of the Sponsor Membership until the Turnover Date, and thereafter, it means the total votes of Community Members in good standing entitled to be cast on a matter requiring approval of the Community Membership and the total votes of Equity Golf, Cottage Golf, and Corporate Golf Members in good standing entitled to be cast on a matter requiring approval of the Equity Golf, Cottage Golf, and Corporate Golf Members.

Article II **Membership**

2.1. Membership Classifications.

(a) Equity and Non-equity Memberships. The Club is authorized to issue equity and non-equity Memberships, as follows:

(i) Equity Memberships. Equity Memberships are proprietary Memberships with voting rights and are assessable except as otherwise specifically provided in these Bylaws. There are currently four categories of equity Membership:

(A) Community Membership. Community Membership entitles the Member or its Designee and other Authorized Users of the Membership to use all of the Social Facilities during operating hours and subject to the Club Rules. Community Members have no right to use the Golf Facilities except that they may patronize the golf shop and enjoy the dining facilities in the Golf House. Every owner of a home site in the Community will automatically become a Community Member upon taking title to the home site and will remain a Community Member as long as he or she owns the home site. Community Members have no right to any payment upon termination of their memberships. After the Turnover Date, Community Members shall be entitled to one vote per Community Membership held with respect to any matter on which Community Members are entitled to vote pursuant to the Articles and these Bylaws. Community Members are subject to assessment after the Turnover Date in accordance with Article VII.

(B) Equity Golf Membership. Equity Golf Membership entitles the Member or its Designee and other Authorized Users of the Membership to use all of the Golf Facilities and all of the Social Facilities during operating hours and subject to the Club Rules. After the Turnover Date,

Equity Golf Members shall be entitled to one vote per Equity Golf Membership held with respect to any matter on which the Equity Golf Members are entitled to vote pursuant to the Articles and these Bylaws. Equity Golf Members are subject to assessment after the Turnover Date as provided in Article VII. Within 60 days of the Club's repurchase of a resigned Equity Golf Membership, the resigned Member is entitled to receive the amount specified in Section 2.8(d). Equity Golf Memberships may be issued in either of the following subclassifications:

(1) Oldfield Equity Golf Membership. Except as otherwise stated in these Bylaws, only owners of homes or home sites in the Community, or in such other eligible communities as the Sponsor may designate, are eligible for Oldfield Equity Golf Membership. In the case of a home or home site with multiple co-owners, each co-owner shall be eligible for Oldfield Equity Golf Membership, but the Club may limit the number of Oldfield Equity Golf Memberships that it issues to co-owners of any single home or home site. The Sponsor may change or waive such eligibility requirements as provided in Section 2.5. An Equity Golf Membership issued to the owner of a home or home site in the Community shall be considered an Oldfield Equity Golf Membership unless specifically designated as an Invitational Equity Golf Membership on the membership certificate.

(2) Invitational Equity Golf Membership. The Club may issue Invitational Equity Golf Memberships without regard to whether the person to whom it is issued owns a home or home site in the Community or in other eligible communities that the Sponsor may designate.

(C) Corporate Golf Memberships. Corporate Golf Membership is issued only to Legal Entities that own a home or home site in the Community and are organized for a primary purpose other than holding title to the membership. Corporate Golf Membership entitles the Member to designate up to two individuals as Designees. Each Designee and its Authorized Users are entitled to use and enjoy all of the Social Facilities and Golf Facilities, during operating hours and subject to the Club Rules. After the Turnover Date, Corporate Golf Members shall be entitled to two votes per Corporate Golf Membership held with respect to any matter on which equity members are entitled to vote pursuant to the Articles and these Bylaws. Corporate Golf Members are subject to assessment after the Turnover Date as provided in Article VII. Within 60 days of the Club's repurchase of a resigned Corporate Golf Membership, the resigned Member is entitled to receive the amount specified in Section 2.8(d).

(D) Cottage Golf Membership. Only owners of Cottages are eligible for Cottage Golf Membership. Cottage Golf Membership entitles the Authorized Users of the Membership to use all of the Golf Facilities, subject to payment of guest fees for cottage guests as described in Section 2.3(b), and all of the Social Facilities during operating hours and subject to the Club Rules. After the Turnover Date, Cottage Golf Members shall be entitled to one vote per Cottage Golf Membership held with respect to any matter on which the Cottage Golf Members are entitled to vote pursuant to the Articles and these Bylaws. Cottage Golf Members are subject to assessment after the Turnover Date as provided in Article VII. Within 60 days of the Club's repurchase of a resigned Cottage Golf Membership, the resigned Member is entitled to receive the amount specified in Section 2.8(d).

(ii) Non-equity Memberships. Non-equity Memberships are non-proprietary, non-voting, non-assessable Memberships. There are currently two classifications of non-equity Membership:

(A) Non-equity Golf Memberships. Non-equity Golf Membership entitles the Member or its Designee and other Authorized Users of the Membership to use and enjoy all of the Social Facilities and Golf Facilities, during operating hours and subject to the Club Rules. Non-equity Golf Membership is subject to recall by the Club on not less than 90 days' prior written notice to the Member and carries no voting privileges. Only persons who do not own a home or home site in the Community are eligible for a Non-equity Golf Membership. Upon the Club's recall or repurchase of a Non-equity Golf Membership, the Club shall refund to the resigned Member 100% of the Membership Contribution originally paid by the resigned Member.

(B) Honorary Memberships. The Club shall issue up to 20 Honorary Memberships to such individuals or entities, and with such privileges and obligations, as the Sponsor may designate. The privileges and obligations of Honorary Members shall be as set forth in their respective Membership Agreements. The Club may not rescind, amend, or terminate the rights of an Honorary Member or its Designee without the Sponsor's consent. Until the Turnover Date, the Sponsor may recall and reissue any Honorary Membership in its sole discretion.

(b) Sponsor Membership. In addition to the equity and non-equity Memberships authorized above, the Sponsor, or any successor in interest to the Sponsor to whom the Sponsor assigns its Sponsor Membership, shall be the sole Sponsor Member. The Sponsor Membership entitles the Sponsor and its designees to use all of the Club Facilities in connection with the development, marketing and sale of homes and home sites in the Community and Memberships, on such terms and conditions as the Sponsor may determine. The Sponsor Membership entitles the Sponsor to exercise all of the rights and privileges specifically granted to the Sponsor pursuant to Article VIII and elsewhere in these Bylaws, and pursuant to the Transfer Agreement.

Prior to the Turnover Date, the Sponsor Member shall hold all of the Voting Power of the Club on all matters except as otherwise specifically provided in these Bylaws. After the Turnover Date, the Sponsor Member shall have only such voting rights and rights of approval as are specifically granted to the Sponsor in these Bylaws and the Transfer Agreement. The Sponsor Membership shall not be subject to payment of any Membership Contribution, nor shall it be subject to payment of any dues or assessments.

(c) Additional Classifications. Until all of the Authorized Golf Memberships have initially been sold, the Sponsor reserves the right to create additional categories of Membership, provided that the total number of Authorized Golf Memberships is not exceeded. Thereafter, the Board of Directors may create additional categories of Membership by amending these Bylaws in accordance with Section 9.10. Within a Membership Classification, the Board may establish different dues categories based on the Member's status as a Resident or Non-resident, as defined in Section 7.2.

2.2. Issuance of Memberships.

The Club shall issue each Membership in the name of the candidate approved for Membership pursuant to Section 2.5, which may be (a) an individual, (b) two adults who are legally married and/or reside together in the same household; or (c) a Legal Entity that has been formed and exists for a primary business purpose other than holding the Membership. In the case of a Membership issued in joint names, both persons named on the Membership certificate shall be considered Members, but there shall be only one Membership and, if the Membership has voting privileges, only one vote may be exercised for such Membership.

If a home or home site in the Community is owned by more than one person, a Community Membership or Cottage Golf Membership issued for such home or home site may be issued in the names of all co-owners jointly, but such co-owners shall jointly designate one co-owner (or two co-owners who are legally married and/or reside together in the same household) as the primary Member for purposes of exercising all privileges of such Membership.

A Legal Entity which holds a Membership other than a Corporate Golf Membership must designate, in its Candidate Profile and Membership Agreement, one individual ("Designee") who shall have the right to exercise all use privileges of the Member under the Membership. Such designation shall remain in effect until the Membership is terminated, unless such Designee status is reassigned to a surviving spouse upon the death of the original Designee, as provided in Section 2.7(b). The Member and the Designee shall be jointly and severally liable for all Membership Fees incurred in connection with the Membership and the use of the Club Facilities by the Designee and the Designee's Authorized Users and guests.

A Legal Entity which holds a Corporate Golf Membership may designate, by written notice to the Club, two individual Designees, each of whom shall have the right to exercise the use privileges of the Member as set forth in Section 2.1(a)(i)(C). Such individuals must hold at least a 20% ownership interest in the Legal Entity or be full-time employees of the Legal Entity, and shall be subject to approval of the Sponsor or the Club in the same manner as any individual candidate for Membership. The Member may change such designation from time to time upon written notice to the Club accompanied by payment of a change fee equal to 20% of the Membership Contribution which the Club is charging for Oldfield Equity Golf Membership on the date such change takes effect.

2.3. Exercise of Membership Privileges.

(a) The following persons shall be authorized to enjoy the use privileges of a Membership other than a Cottage Membership, subject to the right of the Board of Directors to restrict the time of access and impose age and ability qualifications for use of the Club Facilities by Authorized Users other than the Member or Designee:

(i) in the case of a Membership held by two individuals jointly, the named Members and their unmarried dependent children under the age of 23 who either reside with the Members or attend school on a full-time basis;

(ii) in the case of a Membership held by one individual, the Member, one Designated Adult, and their unmarried dependent children under the age of 23 who either reside with the Member or attend school on a full-time basis; and

(iii) in the case of a Membership held by a Legal Entity, the Designee, one Designated Adult, and their unmarried dependent children under the age of 23 who either reside with the Designee or attend school on a full-time basis; and

(iv) in the case of a Membership for which the use privileges have been assigned pursuant to Section 2.3(c), the individual assignee, one Designated Adult, and their unmarried dependent children under the age of 23 who either reside with the assignee and Designated Adult or attend school on a full-time basis.

A Member or Designee may not change the Designated Adult for a Membership more than once in any 12-month period. Only the Member, its Designee, or the Designated Adult for a Membership shall be eligible to exercise the voting rights of an equity Membership. The Member or its Designee and the Designated Adult for an equity Membership shall be eligible to serve on the Board of Directors and committees, but they shall not both serve on the Board or on the same committee at the same time.

(b) The Authorized Users of a Cottage Golf Membership shall be as follows:

(i) In the case of a Member whose Cottage is listed for rent pursuant to a written rental listing agreement between the Member and the rental agent designated by the Board of Directors, those individuals whom the Member or rental agent authorize to occupy the Cottage (which may include co-owners, family, friends, or rental guests), but only during the authorized period of occupancy and not to exceed four (4) persons over the age of 16 and their dependent children age 16 or under at any one time, provided, the Club may issue passes to permit use by additional persons in its discretion based on availability; or

(ii) in the case of any other Cottage Golf Member, those persons who would be Authorized Users of any other category of Membership under subsection (a) above.

Authorized Users under subsection (b)(i), other than the Member and such members of his or her household as would be Authorized Users under (b)(ii), shall pay guest fees for use of the Golf Facilities at the cottage rental guest rate established by the Board.

(c) Guests. All individual Members and Designees are entitled to limited guest privileges in accordance with the Club Rules, subject to payment of applicable guest fees and subject to the right of the Board to limit, deny, or revoke guest privileges of any Member (other than Sponsor) or Designee, or of all Members and Designees, at any time in its sole discretion. Unless the Club Rules otherwise permit, guests may only use the Golf Facilities when accompanied by the sponsoring Member or Designee. Guests shall only use the Club Facilities in accordance with the use privileges afforded to the sponsoring Member's Membership classification. Except as the Club Rules may otherwise provide, the sponsoring Member shall be responsible for all guest fees and charges, unless paid by the guest at the time such charges are incurred.

(d) Temporary Assignment of Use Privileges. An Oldfield Equity Golf Member who is eligible for non-resident dues status under Section 7.2(a) may temporarily assign all of the use privileges of the Membership for up to three one-year periods, subject to approval of the proposed assignee(s) by the Sponsor or the Club, as applicable. No Legal Entity, and no person who owns a home or home site in the Community, shall be eligible to accept any such temporary assignment of use privileges or be approved as the assignee for purposes of any temporary assignment hereunder. As a condition of approval of any proposed assignee hereunder, both the Member and the assignee shall execute an affidavit affirming that no consideration has been or will be received or paid for such assignment. Falsifying such affidavit shall be grounds for termination of the assignment and disciplinary action against the Member. During the period that any such assignment is in effect:

(i) the assignee shall be entitled to enjoy all of the use privileges of the Member's classification of Membership, including the right to participate in Member events, and shall pay to the Club the periodic dues and minimum usage fees for such Membership due pursuant to Section 7.2(a) plus all charges incurred by the assignee and its Authorized Users; and

(ii) the Member shall be entitled to enjoy the use privileges of a Community Membership only and shall pay to the Club periodic dues and minimum usage fees charged to Community Members plus all charges incurred by the Member and its Authorized Users.

2.4. Limitation on Number of Memberships.

The Club is currently authorized to issue a maximum of 375 Memberships with golfing privileges, including Equity Golf, Non-equity Golf, Cottage Golf, and Corporate Golf Memberships, but excluding Community Memberships and Honorary Memberships. A Corporate Golf Membership shall count as two Memberships with golfing privileges for purposes of determining the number of Authorized Golf Memberships that are issued and outstanding. If the Club Facilities are expanded to include more than 18 holes of golf, the number of Authorized Golf Memberships shall increase by 175 for each 9 holes of golf added; however, neither the Club nor the Sponsor shall have any obligation to expand the Club Facilities to include more than 18 holes of golf. The number of Community Memberships shall not exceed the number of home sites in the Community, as the Community may be expanded.

2.5. Selection and Admission of Members.

(a) Consideration for Membership. Any eligible individual or Legal Entity who desires to be considered for Golf Membership other than Cottage Golf Membership shall complete, execute, and submit to the Club a Candidate Profile in such form as the Club may specify. If the candidate is a Legal Entity, then the proposed Designee must complete, execute, and submit a Designee Profile in such form as the Club may specify before the candidate will be considered for Membership.

All candidates for Golf Membership other than Cottage Golf Membership are subject to approval and acceptance by the Sponsor until all Authorized Golf Memberships have initially been sold to persons other than the Sponsor or affiliates of the Sponsor, and thereafter by the Club's Board of Directors or any membership committee that the Board may appoint. As long as the Sponsor has approval authority, it may change, establish, or waive the eligibility and suitability requirements for any Membership classification. Such approval may be granted or withheld in the sole discretion of the Sponsor or the Board, as applicable.

The Club or the Sponsor will conduct such inquiry, review and consideration of each candidate as it deems appropriate and may consider relevant information other than the information provided in the Candidate Profile, including without limitation, personal references, credit or character reports, and prior or other club references; however, candidates shall be considered without regard to race, religion, creed, color, gender, national origin or physical disability.

The provisions of this Section shall not apply to Cottage Golf Memberships, which shall be issued automatically to owners of Cottages in accordance with the Cottage Recreational Covenant.

(b) Notification. If a candidate is approved for Golf Membership and Membership in the desired classification is then available, the Club will notify the candidate in writing and extend an invitation to Membership. The candidate shall have not less than 15 days from the date of such notice to execute and submit a Membership Agreement, in such form as the Club may specify, along with a check for the Membership Contribution for the desired classification of Membership or such portion thereof as may be required under the terms of the Membership Agreement.

If a candidate is approved for Golf Membership but Golf Membership is not then available, the Club shall so notify the candidate and shall give the candidate an opportunity to request that he or she be placed on a waiting list pursuant to subsection (c) below. Such request shall be accompanied by a waiting list deposit in such amount as the Board may specify from time to time.

If a candidate's request for consideration for Membership is not acted upon favorably, the Club shall so notify the candidate. The Club shall not be required to provide any details or specify any reason for such decision.

(c) Waiting List to Acquire Golf Membership. Upon the issuance of all available Golf Memberships, the Board shall establish a waiting list. The waiting list shall be maintained according to the priorities set forth below and, within a category of priority, on a first come, first served basis (based on the date of the Club's written notice to the candidate of the candidate's approval for Membership). A candidate who qualifies for more than one category of priority shall be listed under the highest category of priority for which the candidate qualifies. At such time as a Golf Membership becomes available, the Club shall notify the candidate with the highest position on the waiting list of such availability.

The Club shall maintain the waiting list, if any, for Golf Membership in the following order of priority:

(i) first, those persons who own a home or home site in the Community which they acquired directly from the Sponsor and who applied for Oldfield Equity Golf Membership prior to closing such purchase but were unable to acquire the Membership at such time due to lack of availability; then

(ii) other Community Members in good standing who desire to upgrade their Community Membership to a Golf Membership; then

(iii) other approved candidates, if any.

The Sponsor may, in its sole and absolute discretion, amend these Bylaws to modify any of the priorities set forth above until all Authorized Golfing Memberships have initially been sold.

A candidate on the waiting list shall have 15 days after receiving written notice that a Membership has become available to accept such Membership by submitting to the Club the difference between the waiting list deposit submitted pursuant to subsection (b) above and the full Membership Contribution required for Golf Membership in the available classification, as stated in the notice. If the candidate fails to submit such payment within the allotted time, the candidate shall be removed from the waiting list and the Club shall refund the waiting list deposit paid. However, the Board, upon consideration of the facts and circumstances relative to the candidate's failure to accept the Membership within the allotted time, may, in its sole discretion, extend the period during which the candidate may accept the Membership, or may permit the Member to pass on the opportunity to acquire such Membership at that time and go to the end of such waiting list. Any candidate on the waiting list may request that the Club remove the candidate's name from the waiting list at any time and, in such event, the Club shall refund the waiting list deposit paid by such candidate within 10 business days after receipt of such request.

2.6. Commencement of Membership Privileges; Evidence of Membership.

Except as may otherwise be provided in the Cottage Recreational Covenant with respect to owners of Cottages, a prospective Member who has been extended an invitation to become a Golf Member shall be entitled to the privileges of Golf Membership only after the Golf Commencement Date and only upon (i) satisfaction of all eligibility requirements for such Membership, (ii) execution of a Membership Agreement for such Membership by the prospective Member and by the Club, (iii) payment in full of the required Membership Contribution, and (iv) release of any portion thereof held in escrow, if applicable. The Club and the Sponsor reserve the right to return any prospective Member's funds and withdraw an invitation to join the Club if the prospective Member fails to satisfy any such condition of Membership.

The Club may issue membership indicia, including Membership Certificates or identification cards; however, they shall not evidence Membership in the Club until the satisfaction of the conditions for Membership and then only to the extent the Member thereafter remains in good standing with the Club.

(c) Cancellation of Membership Certificates and Cards. Upon termination of a Membership for any reason, the Secretary of the Club may cancel the former Member's Membership Certificate and all Membership cards issued in connection with such Membership.

2.7. Restrictions on Transfer of Memberships.

(a) General Rule of Nontransferability. No Membership other than the Sponsor Membership may be pledged, assigned, hypothecated, encumbered or otherwise transferred to anyone other than the Club, by sale, gift, or otherwise, voluntarily or involuntarily, except as provided in these Bylaws. The Club shall transfer all unsold Memberships to the Sponsor upon the Sponsor's request as provided in the Transfer Agreement, and the Sponsor shall be entitled to transfer such memberships initially.

An Equity Golf Member may pledge his or her Equity Golf Membership to secure purchase money financing through an institutional lender for the Equity Golf Membership in an amount not to exceed the Membership Contribution paid to the Club for the Equity Golf Membership or, if the purchase of the Equity Golf Membership and the Member's home site in the Community are financed through an institutional lender as part of a single loan package with both used as security for such loan, the Equity Golf Membership may be used as collateral to secure the entire purchase money loan amount.

In the event that the lender forecloses or acquires title to the Equity Golf Membership pursuant to its remedies under the loan documents, the Equity Golf Membership shall be deemed resigned pursuant to Section 2.8 and all use privileges and voting rights of such membership shall be suspended. Except as provided below, the membership shall be placed on the waiting list for repurchase under Section

2.8(c), and upon the Club's repurchase of the membership, the lender shall be entitled to the amount described in Section 2.8(c). The lender shall be responsible for all dues, fees and other charges accruing through the date of repurchase. If the lender also forecloses its interest in or takes title to the Member's home site, and the lender promptly pays all dues, fees and other charges for the membership as they become due, the lender shall have up to 180 days after the date of foreclosure or transfer of title to resell the home site and arrange for the Club to repurchase the resigned Equity Golf Membership and reissue it to the new owner of the home site (i.e., the buyer at foreclosure or, if the lender takes title, the resale buyer who purchases the home site from the lender) without regard to any waiting list that may exist to acquire memberships, provided that the purchaser of the home site requests consideration for Equity Golf Membership within 30 days after such purchaser takes title to the home site, is approved and extended an invitation by the Club, and within 15 days after notice of such invitation, executes a Membership Agreement and pays to the Club the Membership Contribution in effect as of the date of executing such Membership Agreement. For purposes of this section, an "institutional lender" is limited to a bank or similar financial institution that regularly engages in lending money to the public for consumer purchases and purchases of residential property.

A Cottage Golf Member may pledge his or her Cottage Golf Membership to secure purchase money financing through an institutional lender for the Member's Cottage and Cottage Golf Membership, but only if the purchase of the Cottage Golf Membership and the Member's home site in the Community are financed through an institutional lender as part of a single loan package with both used as security for such loan, in which case the Cottage Golf Membership may be used as collateral to secure the entire purchase money loan amount.

In the event that the lender forecloses or acquires title to the Cottage and the Cottage Golf Membership pursuant to its remedies under the loan documents, the Club shall reissue the Cottage Golf Membership to the lender and the lender shall be responsible for all dues, fees and other charges accruing during its period of ownership of the Cottage. Upon title to the Cottage being transferred to a buyer at foreclosure or by the lender following the lender's acquisition of title, the Club shall repurchase the Cottage Golf Membership and reissue it to the new owner of the Cottage pursuant to the Cottage Recreational Covenant without regard to any waiting list that may exist to acquire memberships; however, the new owner of the Cottage shall be required to execute a Membership Agreement and pay the Membership Contribution in effect as of the date of such transfer of title. The lender shall have no right to acquire the Cottage Golf Membership independent of the Cottage, whether by foreclosure or other exercise of its remedies under the loan documents, and any attempt to do so shall result in the membership being deemed resigned pursuant to Section 2.8 and all use privileges and voting rights of such membership being suspended. Except as provided below, the membership shall be placed on the waiting list for repurchase under Section 2.8(c), and upon the Club's repurchase of the membership, the lender shall be entitled to the amount described in Section 2.8(c).

Any other attempted transfer of a Membership by a Member, whether by sale, gift, or otherwise (except as may be expressly provided in the Bylaws upon the death of a Member), shall be of no force and effect and shall confer no Membership rights or other rights upon any transferee to use the Club Facilities. No Member, other than the Sponsor, may advertise for sale or otherwise offer to transfer or assign a Membership in the Club.

(b) Death of a Member or Designee. Upon the death of a Member whose Membership is held in joint names, all rights of the deceased Member shall automatically vest with the other Member named on the Membership Certificate. Upon the death of a Member or Designee under any other Membership, the surviving spouse, if any, of the Member or Designee shall have 60 days after the death of the Member or Designee to request in writing that the Club transfer the Membership or Designee status, as applicable, to the surviving spouse, provided that the surviving spouse is eligible for the Membership classification held by the deceased Member. If there is no eligible surviving spouse, or the surviving spouse does not request such transfer within 60 days after the Member's or Designee's death, the Club shall deem the Membership resigned. If the Membership is a Golf Membership other than a Cottage Golf Membership, the Club shall place such Membership on the waiting list for repurchase

pursuant to Section 2.8. The Club shall repurchase a Cottage Golf Membership and reissue it to the new owner of the Cottage in accordance with the Cottage Recreational Covenant without regard to any waiting list in effect.

(c) Separation or Divorce. In the event that a husband and wife holding a Membership in their joint names are legally separated or divorced, the Membership shall automatically vest with the spouse who receives title to the Membership pursuant to a court order or a written agreement between the parties; however, if the Membership is a Community Membership, an Oldfield Equity Golf Membership, or a Cottage Golf Membership and the spouse awarded the Membership no longer satisfies the eligibility requirements for such Membership, then such spouse shall be deemed to have resigned the Membership, subject to the rights and obligations of resigned Members under these Bylaws. Until such time as the Club receives notice of such a court order or agreement, or notice from either spouse relinquishing all rights under the Membership to the other, the spouse named on the Membership Certificate (or both, if both are so named) shall remain fully responsible for all Membership Fees payable on account of such Membership.

(d) Termination of Co-Habitation. If two unmarried persons who jointly hold a Membership cease to reside in the same residence, all rights under such Membership shall vest with the Member specified by written notice to the Club from both such persons; however, if the Membership is a Community Membership, an Oldfield Equity Golf Membership, or a Cottage Golf Membership, and the Member specified in such notice no longer satisfies the eligibility requirements for such Membership, then such Member shall be deemed to have resigned the Membership, subject to the rights and obligations of resigned Members under these Bylaws. Until the Club receives such notice or a court order designating the person entitled to such Membership, the Club may suspend all privileges of such Membership. If the Club does not receive such notice or a court order specifying the person entitled to the Membership within a reasonable time, as the Board, in its discretion, determines, the Club may deem the Membership resigned subject to the rights and obligations of resigned Members under these Bylaws.

(e) Dissolution of Legal Entity. If a Legal Entity holding a Membership is voluntarily or involuntarily dissolved, or for any other reason ceases to operate or exist, such Membership shall be deemed resigned. Until such time as the Board receives notice of such event, the Member shall remain fully responsible for all Membership Fees payable on account of such Membership. If the Membership resigned is a Golf Membership other than a Cottage Golf Membership, the Club shall place the Membership on the waiting list for repurchase pursuant to the provisions of Section 2.8. If the Membership is a Cottage Golf Membership, the Club shall repurchase it and reissue it to the new owner of the Cottage in accordance with the Cottage Recreational Covenant.

(f) Resale of Member's Home or Home Site in Community. Except as may otherwise be provided in these Bylaws or the Member's Membership Agreement, if an Oldfield Equity Golf Member, Cottage Golf Member, or Community Member ceases to own a home or home site in the Community, the Member shall be deemed to have resigned the Membership; however, upon request of the Oldfield Equity Golf Member, if there are no approved candidates on a waiting list to acquire an Equity Golf Membership, the Club may in its discretion postpone the effective date of resignation of such Member's Equity Golf Membership until 90 days after the date of notice from the Club that the Membership is needed for issuance to another approved candidate. Alternatively, if (i) an Oldfield Equity Golf Member sells or otherwise transfers his or her home site in the Community and resigns such Membership effective on the date of transfer of title, and (ii) the purchaser or transferee of the home site requests consideration for Oldfield Equity Golf Membership prior to taking title to the home site, is extended an invitation by the Club, and pays the Membership Contribution in effect as of the date of executing the Membership Agreement, the Member may arrange for the Club to repurchase the resigned Oldfield Equity Golf Membership and reissue it to the new owner of the home or home site without regard to any waiting list that may exist.

If a Membership is a Cottage Golf Membership, then upon transfer of the Member's Cottage the membership will be deemed resigned and the new owner of the cottage will be obligated to pay the then current membership contribution to the Club. The Club will then reissue the membership to the new owner in accordance with the Cottage Recreational Covenant. In the case of a Cottage owned by two or more persons as co-owners, the transfer of any co-owner's ownership interest to one or more other co-owners shall terminate the transferring co-owner's interest in the membership but shall not be considered a transfer of title to the Cottage resulting in resignation of the Membership. However, any transfer of a co-owner's ownership interest in the Cottage that singly or in combination with prior transfers would result in more than 50% of the ownership interest in the Cottage vesting in persons who were not co-owners at the time the Membership was issued shall constitute a transfer of title resulting in resignation of the Membership hereunder.

2.8. Resignation and Repurchase of Memberships.

(a) Resignation. Any Member other than a Community Member or Cottage Golf Member may voluntarily resign the Membership by written notice to the Secretary of the Club of such intention and simultaneously endorsing and depositing with the Club the Member's Membership Certificate. The Club shall deem a Membership resigned upon the occurrence of any of the following events: (i) ceasing to meet the eligibility requirements of such Membership; (ii) the dissolution of a Member which is a Legal Entity; (iii) the death of the sole Member or, in the case of a Membership other than a Corporate Golf Membership held by a Legal Entity, upon the death of its Designee, unless the Membership or Designee status is reissued to a surviving spouse as provided in Section 2.7(b), or the death of both Members named on a Membership Certificate, if the Membership is held jointly; (iv) expulsion from the Club for cause; or (v) such other event(s) as may be specifically set forth in these Bylaws.

(b) Effective Date of Resignation. Equity Golf Members and Corporate Golf Members who resign their Golf Memberships shall retain all privileges of, and shall remain responsible for all dues, fees and other charges applicable to, the Membership being resigned until the resigned Membership is repurchased and reissued by the Club, except that a Member whose Membership is deemed resigned due to expulsion for cause shall have all use privileges and voting rights suspended until the date of repurchase. If the Club has not repurchased a resigned Equity Golf Membership or Corporate Golf Membership within one year of receipt of notice of the Member's resignation, the Member may elect to pay dues at 50% of the rate charged other Members with the same classification of Membership and pay greens fees at the guest rate for each round of golf played by the Member or the Member's Authorized Users until such time as the Membership is repurchased.

Within 60 days after the Club's repurchase and reissuance of a resigned Cottage Golf Membership, the Club shall pay to the resigned Member an amount equal to 80% of the Membership Contribution being charged by the Club for Oldfield Equity Golf Membership on the date of repurchase, except that if such percentage would be less than the Membership Contribution originally paid by the resigned Member, then the resigned Member shall be entitled to the lesser of 100% of the Membership Contribution being charged by the Club for Oldfield Equity Golf Membership on the date of repurchase or 100% of the Membership Contribution originally paid by the resigned Member.

Non-equity Golf Members who resign their Memberships may elect to retain all privileges of, and continue paying all dues, fees and other charges applicable to, the Membership being resigned until the date of repurchase, or suspend all privileges and dues obligations as of the date of the Club's receipt of written notice of the Member's resignation.

A Member who has voluntarily resigned his or her Membership by written notice to the Club may not revoke such resignation and reinstate the Membership unless the Club approves such reinstatement, which approval it may grant or withhold in its sole discretion. In such event, the Secretary of the Club shall promptly issue the Member a duplicate Membership Certificate, and the Club shall remove such Member's name from the waiting list for repurchase.

(c) Repurchase of Resigned Memberships. Although Memberships are not transferable to third parties, an Equity Golf, Non-equity Golf, Cottage Golf, or Corporate Golf Member who resigns his or her Membership will be eligible to have the Membership repurchased and reissued by the Club, subject to certain conditions set forth in these Bylaws. Upon resignation of a Golf Membership other than a Cottage Golf Membership, the resigned Membership will be placed on a repurchase list, in the order that the Club receives notice of resignation, to be repurchased by the Club as provided below. Upon transfer of title to a Cottage Golf Member's Cottage, the Cottage Golf Membership shall be repurchased and reissued to the new owner of the Cottage in accordance with the Cottage Recreational Covenant.

The Club shall have no obligation to repurchase any resigned Equity or Non-Equity Golf Membership until such time as a candidate for Equity or Non-Equity Golf Membership is extended an invitation to join the Club, executes a Membership Agreement, and submits the required Membership Contribution, and then subject to all other conditions, priorities and repurchase list requirements set forth in these Bylaws. The Club shall have no obligation to repurchase any resigned Corporate Golf Membership until such time as a candidate for Corporate Golf Membership (or two candidates for Equity or Non-Equity Golf Membership), is extended an invitation to join the Club, executes a Membership Agreement, and submits the required Membership Contribution, and then subject to all other conditions, priorities and repurchase list requirements set forth in these Bylaws. The Club shall have no obligation to repurchase a resigned Cottage Golf Membership until the new owner of the Cottage has executed a Membership Agreement with the Club and has paid the required Membership Contribution in full.

Until all Authorized Golf Memberships have initially been sold (*i.e.*, excluding resales) to persons other than the Sponsor or affiliates of the Sponsor, if there are Memberships on the repurchase list, every fourth Golf Membership (other than a Cottage Golf Membership) sold by the Club after receipt of notice of resignation of a Membership on such repurchase list shall be the Membership with the highest priority on such repurchase list, except that:

(i) Corporate Golf Memberships shall be treated as the equivalent of two Equity or Non-Equity Golf Memberships for purposes of sales and repurchases of Golf Memberships hereunder and, if the Membership with the highest priority is a Corporate Golf Membership, then the Club shall not be obligated to repurchase it until such time as it would otherwise have been obligated to repurchase two Equity or Non-Equity Golf Memberships from the repurchase list (*i.e.*, in conjunction with the sale of the eighth Equity or Non-Equity Golf Membership); and

(ii) if an approved candidate for Equity Golf Membership is not an Eligible Purchaser and there are Equity Golf Memberships on the repurchase list, the Club shall repurchase and reissue to such candidate a resigned Equity Golf Membership from such repurchase list without regard to whether three Memberships have first been issued from the inventory of unsold Memberships.

In the Sponsor's discretion, Memberships may be repurchased from the repurchase list earlier or more frequently than required hereunder; however, any such repurchase shall not delay the repurchase of Memberships having higher priority on the repurchase list. If the Sponsor repurchases a Membership and there is no approved candidate on the waiting list to acquire such Membership, the Membership may be returned to the inventory of unsold Memberships and no dues, fees, or assessments shall be due for such Membership until it is resold.

(d) Repurchase Price. Within 60 days after the Club's repurchase and reissuance of a resigned Equity Golf Membership, the Club shall pay to the resigned Member an amount equal to 80% of the Membership Contribution being charged by the Club for Oldfield Equity Golf Membership on the date of repurchase, except that if such percentage would be less than the Membership Contribution originally paid by the resigned Member, then the resigned Member shall be entitled to the lesser of 100% of the Membership Contribution being charged by the Club for Oldfield Equity Golf Membership on the date of repurchase or 100% of the Membership Contribution originally paid by the resigned Member.

Within 60 days after the Club's repurchase of a Non-equity Golf Membership, the Club shall refund to the resigned Member 100% of the Membership Contribution originally paid by the Member whose Membership has been repurchased.

Within 60 days after the Club's repurchase and reissuance of a resigned Cottage Golf Membership, the Club shall pay to the resigned Member an amount equal to 80% of the Membership Contribution being charged by the Club for Oldfield Equity Golf Membership on the date of repurchase, except that if such percentage would be less than the Membership Contribution originally paid by the resigned Member, then the resigned Member shall be entitled to the lesser of 100% of the Membership Contribution being charged by the Club for Oldfield Equity Golf Membership on the date of repurchase or 100% of the Membership Contribution originally paid by the resigned Member.

Within 60 days after the Club's repurchase and reissuance of a resigned Corporate Golf Membership, the Club shall pay to the resigned Member an amount equal to 80% of the Membership Contribution being charged by the Club for Corporate Golf Membership on the date of repurchase, except that if such percentage would be less than the Membership Contribution originally paid by the resigned Member, then the resigned Member shall be entitled to the lesser of 100% of the Membership Contribution being charged by the Club for Corporate Golf Membership on the date of repurchase or 100% of the Membership Contribution originally paid by the resigned Member. If the Club is no longer offering Corporate Golf Memberships, the Club shall pay to the resigned Member an amount equal to 160% of the Membership Contribution being charged by the Club for Oldfield Equity Golf Membership on the date of repurchase.

The Club shall be entitled to deduct from the amount otherwise payable upon recall or repurchase of any Membership (i) all outstanding Membership fees, dues, and other charges owed to the Club or the Sponsor on account of the resigned Membership at the time of repurchase, and (ii) an administrative transfer fee in such amount as the Club may establish from time to time, not to exceed 1% of the repurchase price paid by the Club.

There is no guarantee that a Membership will be repurchased and reissued by the Club, and the Membership Contribution being charged at the time of repurchase may be higher or lower than the Membership Contribution originally paid by the resigned Member. Members are not entitled to receive any amount from the repurchase of their resigned Memberships unless and until the Club is able to resell the resigned Membership. Therefore, the availability and timing of any payment is dependent on the Club's continued ability to attract new Members, and no assurances can be made that any terminated Membership will be resold, or upon what terms.

2.9. Repurchase of Recalled Membership.

Within 60 days after the Club's recall of an Non-equity Golf Membership, the recalled Member will be entitled to 100% of the Membership Contribution actually paid by the recalled Member. All amounts payable to a recalled Member shall be reduced by the amount of any outstanding Membership Fees owed to the Club or the Sponsor on account of the recalled Membership.

2.10. Upgrade in Membership Classification.

A Community Member may, subject to availability and subject to the Sponsor's rights pursuant to these Bylaws and the Transfer Agreement, apply to upgrade the Member's Community Membership to an Oldfield Equity Golf Membership. If and when an Oldfield Equity Golf Membership is available, the Club will notify the Member. The Member will have a limited period of time, as specified in the notice, to upgrade the Member's Community Membership to an Oldfield Equity Golf Membership by paying to the Club the Membership Contribution then being charged by the Club for Oldfield Equity Golf Memberships. Pursuant to the Transfer Agreement, the Sponsor may restrict the sale of Equity Golf Memberships to

protect their availability for Eligible Purchasers of home sites. As a result, there is no guarantee that a Golf Membership will be available to a Community Member who desires to upgrade, even though all Golf Memberships authorized by the Bylaws may not have been issued at the time an application to convert is submitted.

2.11. Conversion of Memberships.

An Invitational Equity Golf Member or a Non-equity Golf Member who takes title to a home or home site in the Community may apply, prior to taking title, to convert the Member's existing Membership to an Oldfield Equity Golf Membership upon taking title to the home or home site, subject to availability and approval by the Club or the Sponsor. Except as may otherwise be provided in the Member's Membership Agreement applicable to the existing Membership: (i) if the Membership Contribution for Oldfield Equity Golf Membership at the time of such conversion is more than the Membership Contribution that the Member paid for the existing Membership, the Member shall be required to pay the difference; and (ii) if the Membership Contribution for Oldfield Equity Golf Membership at the time of such conversion is less than the Membership Contribution that the Member paid for the existing Membership, the Club shall have no obligation to refund the difference. If a Non-equity Golf Member takes title to a home or home site in the Community and does not apply, prior to taking title, to convert to an Equity Golf Membership, the Member's existing Membership shall be deemed resigned upon taking title to the home or home site, subject to the rights and obligations of resigned Members under the Bylaws.

An Oldfield Equity Golf Member who transfers title to his or her home site in the Community and does not arrange for the resale buyer of such home or home site to acquire the Oldfield Equity Golf Membership pursuant to Section 2.7(f) may request that the Club convert such Oldfield Equity Golf Membership to an Invitational Equity Golf Membership. The Club may, but shall not be obligated to, grant such request. If such request is granted, the Member shall pay an additional Membership Contribution equal to the difference between the Membership Contribution then being charged by the Club for Invitational Equity Golf Membership and the Membership Contribution then being charged by the Club for Oldfield Equity Golf Membership. The Member shall tender his Oldfield Equity Golf Membership certificate and the Club shall issue a new Invitational Equity Golf Membership and the parties shall execute an amendment to the Member's Membership Agreement reflecting such conversion and the additional Membership Contribution paid.

2.12. Ownership of Multiple Home Sites.

A person who owns more than one home or home site in the Community shall hold and maintain a Community Membership for each.

An Equity Golf Member in good standing who purchases a second home site from the Sponsor shall be eligible, for a period of two years from the date of closing such purchase, to apply for another Oldfield Equity Golf Membership for the second home site or may assign such eligibility to the purchaser of one of the home sites, who must apply for such Membership prior to closing such purchase.

2.13. Rights of Members Upon Sale or Dissolution.

The Club has been formed as a nonprofit corporation under the law of the State of South Carolina and does not contemplate the distribution of gains, profits, or dividends to any of its Members. However, upon the sale or dissolution of the Club, after satisfaction of all obligations or after adequate provision for such satisfaction has been made, the remaining assets of the Club, if any, shall be distributed among the Equity Golf Members, Cottage Golf Members, Corporate Golf Members, and Community Members, in good standing at the time of dissolution as follows: that portion of the remaining assets which represents the value of the facilities available for use by Community Members at the time of dissolution relative to the value of all of the Club Facilities shall be distributed in shares with one share allocated to each Community Membership and each Oldfield Equity Golf Membership and each Cottage

Golf Membership and two shares being allocated to each Corporate Golf Membership. The balance shall be distributed equally among the Equity Golf Members, Cottage Golf Members, and Corporate Golf Members in good standing, with each Corporate Golf Membership being treated as two Equity Golf Memberships. If the Club has elected to be tax-exempt and has received all applicable rulings or determinations from governmental agencies required for establishing such tax-exempt status, any such distribution shall be made only to the extent that it does not adversely affect the tax-exempt status of the Club.

2.14. No Discrimination.

Except as specifically authorized in these Bylaws or the Club Rules, the Club shall not discriminate among Members or candidates for Membership on the basis of race, religion, creed, national origin, age, gender, or physical disability.

Article III
Membership: Meetings, Quorum, Voting, Proxies

3.1. Place of Meetings.

Meetings of the Club shall be held at the principal office of the Club.

3.2. Annual Meetings.

The first meeting of the Club, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Club. Subsequent regular annual meetings shall be on a date and at a time set by the Board.

3.3. Special Meetings.

The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board or upon a petition signed by Members representing at least 10% of the total Voting Power.

3.4. Notice of Meetings.

Written notice stating the place, day, and hour of any meeting of the Members shall be posted conspicuously in the clubhouse and shall be delivered to each Member entitled to vote at such meeting, not less than 10 nor more than 50 days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

3.5. Waiver of Notice.

Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may waive notice of any meeting of the Members, either before or after such meeting. A Member's attendance at a meeting shall be deemed a waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

3.6. Adjournment of Meetings.

If any meeting of the Membership cannot be held because a quorum is not present, a Majority of the Members who are present at such meeting may adjourn the meeting to a time not less than 5 nor more than 30 days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. However, any matter put to a vote must be approved by the same number of votes as would have been required for action to be taken on the matter if a quorum were still present.

3.7. Voting.

Only those Members holding Memberships which are specifically granted voting rights pursuant to Section 2.2 shall be entitled to vote on any matter requiring a vote of such Membership. No votes shall be cast for unsold Memberships held by the Club. Except as otherwise specified in the Articles or these Bylaws, the votes of Members entitled to cast a Majority of the Voting Power represented in person, by proxy, or by ballot, assuming a quorum exists, shall decide matters put to a vote of the Membership. Until the Turnover Date, the entire Voting Power of the Membership shall be vested in the Sponsor Member, except as otherwise specifically provided in these Bylaws.

3.8. Proxies.

Members may vote by proxy, subject to the limitations of South Carolina law and subject to the requirements of this Section. Every proxy shall be in writing specifying the Membership for which it is given, signed by the Member (or either Member, in the case of a Membership held jointly) or the Member's duly authorized attorney-in-fact, dated, and filed with the Secretary of the Club prior to the meeting for which it is to be effective. In the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, the Club shall deem both invalid.

Every proxy shall be revocable and shall automatically cease upon the effective date of the resignation of any Membership for which it was given; upon receipt by the Secretary of written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is a natural person; or 11 months from the date of the proxy, unless the proxy specifies a shorter period.

3.9. Quorum.

Except as otherwise provided in these Bylaws, a quorum shall be established by the presence of Members or their proxies, or written ballots signed by Members, or any combination of Members, proxies and ballots, representing 30% of the total Voting Power.

3.10. Conduct of Meetings.

The President shall preside over all meetings of the Club, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

3.11. Action by Written Ballot.

(a) Written Ballot Voting, Generally. Any action that may be taken by the vote of the Members at any regular or special meeting, including the election of directors, may be taken by written ballot without a meeting if done in compliance with this Section. The fact that a matter is submitted to the Members for approval by written ballot shall not preclude the Club from calling a meeting of the Members to coincide with the final date established for the return of written ballots.

(b) Procedures for Conducting a Member Vote by Written Ballot. If voting on any matter is to be conducted by written ballot, the Board of Directors shall mail a written ballot to every Member who is entitled to vote on the matter at the Member's mailing address as shown on the records of the Club. The Board shall deposit all ballots in the mail at least 10 but not more than 50 days before the deadline for filing of ballots, which deadline shall be stated on the face of the written ballot.

(i) Written Ballots for Matters Other Than Election of Directors. Written ballots soliciting Member votes on issues other than the election of directors shall set forth the proposed action, provide a space to specify approval or disapproval of the proposal(s), and provide a reasonable time within which to return the ballot to the Club in order to be counted, which voting period shall not be less than 15 days following the date that the ballots are mailed to the Members. If so stated on the face of the ballot and in accompanying solicitation materials, the Board may reserve the right to extend the stated voting period for an additional period, not to exceed 45 days, if the Board in its discretion determines that it is to the advantage and in the best interest of the Members to provide more time to cast ballots. The solicitation materials shall state the percentage of favorable votes necessary to pass the proposal.

(ii) Written Ballots for Election of Directors. The ballot for any election of directors to be conducted by written ballot shall list the names of those candidates who have been nominated as of the date that the ballots are produced, as well as a space for a write-in candidate. The Club shall mail such ballot to the Members entitled to vote with the notice of the annual Membership meeting and any accompanying solicitation materials. The time fixed for return of the ballots shall be on or before the time scheduled on the agenda of the annual meeting for the receipt and counting of ballots. If the annual meeting is adjourned for any reason without concluding the election of directors, the time for the return of written ballots may be extended to the date established for reconvening of the meeting.

(c) Minimum Requirements for Valid Action. In order to be counted, written ballots must be filed with the Secretary prior to the time that the Board specifies for closing of the balloting. For any action or election by written ballot to be valid, the quorum requirements of Section 3.9 must be met. The number or percentage of votes necessary to approve any proposal or elect any candidate shall be the same as would have been required at a meeting if the total number of votes cast at the meeting had been the same as the number of votes cast by written ballot.

In addition, all solicitations for votes by written ballot shall: (1) indicate the number of responses needed to meet the quorum requirements; and (2) state the percentage of approvals necessary to approve each matter other than election of directors. A written ballot may not be revoked.

3.12. Action Without a Meeting.

In addition to the above procedures, any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice, and without a vote, in accordance with the following procedures. Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all Members entitled to vote thereon were present shall sign, date and deliver to the Club written consents specifically authorizing the proposed action. Each such consent shall be signed within 60 days after receipt of the earliest dated consent. Such consents shall be filed with the minutes of the Club, and shall have the same force and effect as a vote of the Members at a meeting. Within 10 days after receiving authorization for any action by written consent, the

Secretary shall give written notice to all Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

Article IV
Board of Directors: Composition, Meetings, Powers

A. Composition and Selection.

4.1. Governing Body.

A Board of Directors, each of whom shall have one equal vote, shall govern the affairs of the Club.

4.2. Number and Qualifications of Directors.

(a) Number. The Board shall consist of three to seven directors, as provided below. The initial Board shall consist of three directors as identified in the Articles of Incorporation. Thereafter, Board of Directors shall consist of such number of persons as the Board of Directors shall from time to time fix by resolution.

(b) Directors Appointed by Sponsor. Until the Turnover Date, the Sponsor shall be entitled to appoint, remove and replace, all of the members of the Board of Directors in its sole discretion. Such directors may, but need not, be Members.

(c) Directors Elected by Members. Not later than 30 days after the Turnover Date, the Board shall call a meeting of the equity Members for the purpose of permitting the equity Members to elect new directors to the Board. Commencing with such election, the Board shall consist of seven directors, six of whom shall be elected by the equity Members in good standing, and the Sponsor, so long as the Sponsor owns property in the Community for development or sale or has the right to expand the Community, shall be entitled to appoint one member of the Board of Directors. At such meeting, Community Members shall be entitled to elect at least two members of the Board of Directors, and the remaining directors shall be elected by the Equity Golf Members, Cottage Golf Members, and Corporate Golf Members. The Board of Directors will annually elect all officers of the Club.

4.3. Nomination and Election Procedures.

(a) Nominations and Declarations of Candidacy. Prior to each election of directors, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which each and every eligible person who has an interest in serving as a director may file as a candidate for any position to be filled by votes of Community Members or Equity Golf, Cottage Golf, and Corporate Golf Members. The Board shall establish such other rules and regulations as it deems appropriate to conduct the nomination of directors in a fair, efficient and cost-effective manner.

The Board also may appoint a Nominating Committee to nominate candidates for election to the Board. The Nominating Committee, if any, shall consist of a chairman, who shall be a member of the Board, and three or more equity Members, Designees or Designated Adults, representing at least one Community Membership and at least one Equity Golf or Cottage Golf Membership. The Board shall appoint any Nominating Committee at least 30 days prior to the annual meeting and the Board shall announce such appointment in the notice of each election.

The Nominating Committee may nominate as many candidates for election to the Board as it shall in its discretion determine. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity that exists within the pool of potential candidates.

Each candidate shall be given a reasonable, uniform opportunity to communicate the candidate's qualifications to the Members and to solicit votes.

(b) Election Procedures. Each Community Member may cast one vote for each position to be filled on the Board by Community Members. Each Equity Golf and Cottage Golf Member may cast one vote and each Corporate Golf Member may cast two votes for each position to be filled on the Board by Equity Golf, Cottage Golf, and Corporate Golf Members. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

4.4. Election and Term of Office.

The first election of directors shall occur on the Turnover Date. Unless the Turnover Date coincides with the annual meeting of the Members, the directors elected on the Turnover Date shall be elected to serve until the first annual meeting of the Members following the Turnover Date, at which meeting at least two directors shall be elected by Community Members, four directors shall be elected by Equity Golf, Cottage Golf, and Corporate Golf Members, and one director shall be appointed by the Sponsor. The six directors elected by the equity Members shall allocate terms among themselves so that two directors shall serve for a term of one year, two directors shall serve for a term of two years and two directors shall serve for a term of three years.

At or coincident with (if by written ballot) each annual meeting thereafter, successors shall be elected, for a term of three years, to fill the positions being vacated by those directors whose terms are expiring. If any such annual meeting is not held, or the election does not take place at or coincident with the annual meeting, the directors may be elected by written ballot or at any special meeting of Members held for that purpose. The newly elected directors shall assume office at the close of the meeting (or election, if by written ballot without a meeting) at which the director is elected.

The Sponsor may, at any time and in its sole discretion, remove or replace any director that it has appointed. At the first annual meeting following termination of the Sponsor's right to appoint a director, the director appointed by the Sponsor shall resign and the Equity Golf, Cottage Golf, and Corporate Golf Members shall be entitled to elect a successor to serve a term of three years. Thereafter, the Community Members shall be entitled to elect two directors and Equity Golf, Cottage Golf, and Corporate Golf Members shall be entitled to elect five directors.

4.5. Removal of Directors and Vacancies.

Any director elected by the Community Members may be removed, with or without cause, by a Majority of the Voting Power, and any director elected by Equity Golf, Cottage Golf, and Corporate Golf Members may be removed, with or without cause, by a Majority of the votes cast by Equity Golf, Cottage Golf, and Corporate Golf Members. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Membership classification that elected the removed director to fill the vacancy for the remainder of the term of such director.

A director who ceases to be an equity Member of the Club shall be deemed to have resigned as a director on the effective date of the termination of such director's equity Membership. Any director elected by the equity Members who has three consecutive unexcused absences from Board meetings, or who is more than 60 days delinquent in the payment of any Membership Fees, may be removed by a Majority of the directors present at a regular or special meeting at which a quorum is present, and the Board may appoint a successor to fill the vacancy for the remainder of the term.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor director from the same Membership classification to fill the vacancy until the next annual meeting, at which time eligible equity Members may elect a successor for the remainder of the term.

This Section shall not apply to directors appointed by the Sponsor. The Sponsor shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by the Sponsor.

B. Meetings.

4.6. Organizational Meetings

The first meeting of the Board following each annual meeting of the Membership shall be held within 10 days thereafter at such time as the Board shall fix. Such meetings shall be held at the Club Facilities.

4.7. Regular Meetings.

Regular meetings of the Board may be held at such time as a Majority of the directors shall determine, but the Board shall meet at least once during each quarter of the fiscal year. Such meetings shall be held at the Club Facilities. The President or the Secretary shall give notice of the time and place of a regular meeting to each director at least four days prior to the meeting, except that notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

4.8. Special Meetings.

Special meetings of the Board shall be held when called by written notice signed by the President or Vice President or by any two directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) telephone facsimile, computer, electronic mail, fiberoptics or other reliable communication device. All such notices shall be given at the director's telephone number, fax number, electronic mail number, or sent to the director's address as shown on the Club's records. Any notice sent by first class mail shall be deposited into a United States mailbox at least seven business days before the time set for the meeting. Notices given by personal delivery, telephone, or other communication device shall be delivered or transmitted at least 72 hours before the time set for the meeting.

4.9. Waiver of Notice.

The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall be deemed waived by any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

4.10. Telephonic Participation in Meetings.

Members of the Board or any committee that the Board may establish may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment, provided that all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

4.11. Quorum of Board of Directors.

At all meetings of the Board, a Majority of the directors shall constitute a quorum for the transaction of business. The votes of a Majority of the directors present at a meeting at which a quorum is present shall be necessary to take any action, except as otherwise specifically provided in these Bylaws. The directors present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum. However, any matter put to a vote must be approved by the same number of votes as would have been required for action to be taken on the matter if a quorum were still present. If any meeting of the Board cannot be held because a quorum is not present, a Majority of the directors present at such meeting may adjourn the meeting to a time not less than 5 nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

4.12. Compensation.

Directors shall not receive any compensation from the Club for acting as such unless approved by Members representing a Majority of the total Voting Power in the Club at a regular or special meeting of the Club. Any director may be reimbursed for expenses incurred on behalf of the Club upon approval of a Majority of the other directors. Nothing in this Section shall prohibit the Club from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Club in a capacity other than as a director pursuant to a contract or agreement with the Club, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a Majority of the other directors.

4.13. Conduct of Meetings.

The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

4.14. Notice to Members; Open Meetings.

Except in an emergency, the Board shall post notice of Board meetings at least 48 hours in advance of the meeting at a conspicuous place within the Club Facilities that the Board establishes for the posting of notices relating to the Club. Subject to the provisions of Section 4.15, all meetings of the Board shall be open to all Members, but attendees other than directors may not participate in any discussion or deliberation unless a director requests that they be given permission to speak. In such case, the President may limit the time any such individual may speak. Notwithstanding the above, the President may adjourn any meeting of the Board and reconvene in executive session, and may exclude persons other than directors, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

4.15. Action Without a Formal Meeting.

Any action of the Board of Directors may be taken without a meeting if written consent, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote at a meeting.

C. Powers and Duties.

4.16. Powers.

The Board of Directors shall have all of the powers and duties necessary for the administration of the Club's affairs and for the performance of all responsibilities and the exercise of all rights of the Club as set forth in the Articles and these Bylaws, and as provided by law. In all cases, the Board may act without a vote of the Membership except as to those matters which the Articles, these Bylaws, or South Carolina law require to be approved by the equity Members or the Membership generally. Subject to the rights of the Sponsor under the Transfer Agreement and these Bylaws, the Board's powers shall include, without limitation, the power:

(a) to select, retain, fix the compensation of, and remove or discharge the officers, agents and employees of the Club, including a Club Manager, to require from them such security or a fidelity bonds as the Board deems appropriate, and to prescribe such powers and duties for them as are consistent with law, with the Articles of Incorporation and these Bylaws; and

(b) to authorize the issuance of Memberships, to prescribe the procedures and terms under which Memberships shall be issued, and to amend the Offering Plan to reflect the same;

(c) to borrow money and incur indebtedness for the purposes of the Club, including working capital, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor;

(d) to acquire, sell, dispose, lease or pledge real or personal property;

(e) to prescribe rules and regulations for the governance of the Club, for use of the Club Facilities by families, visitors, and guests, for the conduct of Members and their families and guests, for the admission of Members, and for such other matters as the Board of Directors may deem necessary or appropriate to the extent not inconsistent with applicable law, the Club's Articles of Incorporation, and these Bylaws;

(f) to determine and enforce disciplinary measures for any violation of the Bylaws or the Club Rules; and

(g) to fix the Membership Contribution and dues of each class of Membership and other charges and fees as authorized under the Bylaws, subject to the rights of the Sponsor pursuant to the Transfer Agreement.

(h) to appoint various committees in connection with the management or operation of the Club;

(i) to issue, suspend, cancel, and transfer Memberships, and the Membership Certificates and Membership cards, if any, evidencing the same;

(j) to enter into contracts with any person or entity for goods or services or for other purposes; and

(k) to take any other action and perform any other act which the Board deems necessary or appropriate consistent with the Club's purposes as stated in the Articles and the Bylaws.

4.17. Duties.

Subject to the rights of the Sponsor and other provisions of these Bylaws and the Transfer Agreement, the duties of the Board shall include, without limitation:

- (a) conducting, managing and controlling the affairs and business of the Club;
- (b) managing, controlling, operating, maintaining, repairing, replacing, and improving the Club Facilities;
- (c) preparing and adopting an annual budget and fixing and collecting Membership Fees pursuant thereto;
- (d) opening accounts on behalf of the Club with banks and similar financial institutions and designating the signatories for such accounts;
- (e) obtaining and carrying property, liability, and other insurance as required by law or as the Board deems appropriate and filing claims thereunder as appropriate;
- (f) paying the cost of all services rendered to the Club;
- (g) keeping books with detailed accounts of the receipts and expenditures of the Club;
- (h) making available to any equity Member current copies such books, records, and financial statements of the Club as provided in Section 9.4; and
- (i) indemnifying a director, officer or committee member, or former director, officer or committee member of the Club or the Sponsor to the extent South Carolina law, the Articles of Incorporation or these Bylaws require such indemnification.

4.18. Management.

The Board of Directors may employ for the Club a Club Manager at such compensation as the Board may establish, to perform such duties and services as Board shall authorize. The Board may delegate such powers as are necessary to perform the Club Manager's assigned duties, but shall not delegate policymaking authority.

The Board of Directors may delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the Club Manager, if any, which might arise between meetings of the Board.

4.19. Accounts and Reports.

The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

- (a) accounting and controls shall conform to generally accepted accounting principles;
- (b) cash accounts of the Club shall not be commingled with any other accounts;

(c) no person shall accept for himself any remuneration from vendors, independent contractors, or others providing goods or services to the Club, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Club;

(d) any financial or other interest which the Club Manager may have in any firm providing goods or services to the Club shall be disclosed promptly to the Board of Directors;

(e) commencing at the end of the quarter in which the first Membership is sold, financial reports shall be prepared for the Club at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format on a quarterly basis;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Members who are delinquent in paying Membership Fees at the time of the report and describing the status of any action to collect such Membership Fees which remain delinquent (any Membership Fee or installment thereof shall be considered to be delinquent 30 days following the date of the statement unless otherwise specified by Board resolution); and

(g) an annual report consisting of at least the following shall be made available to all equity Members within 120 days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of cash flows for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines, by an independent public accountant.

4.20. Borrowing.

The Club shall have the power to borrow money prior to the Turnover Date provided that, as of the Turnover Date, the outstanding balance of all loans secured by the Club Facilities shall be no more than the value of net realizable receivables, inventories and supplies on hand plus any prepayments under contracts or leases for the benefit of the Club. After the Turnover Date, the Club shall have the power to borrow money for any legal purpose; provided, the Board shall obtain Member approval in the same manner as for assessments as provided in Section 7.3, if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 10% of the budgeted gross expenses of the Club for that fiscal year.

4.21. Enforcement.

(a) Sanctions. The Club may levy such sanctions as it deems appropriate against any Member, Authorized User, or guest for cause. Such sanctions include, without limitation, reprimands, fines, reimbursement of expenses incurred and suspension or termination of Membership privileges, except as otherwise provided in this Section. "Cause" may include, without limitation (a) nonpayment of any sums due to the Club (including charges incurred by the Member, the Member's Authorized Users, or guests) for a period of 60 days or longer after such sums were billed to the Member, (b) conviction of a felony, (c) permitting the use of a Membership card by someone other than the person to whom it was issued, (d) conduct unbecoming a Member, or (e) acts (in or on the Club's facilities or within the

Community) by a Member, an Authorized User, or guests which the Board determines to be detrimental to the best interests of the Club, including, without limitation, conduct violating the Club Rules or conduct likely to endanger the welfare, safety, harmony or good reputation of the Club or its Members.

Notwithstanding the right of the Board to expel a Golf Member other than a Cottage Golf Member or other Authorized User for conduct described in this Section, Members who are delinquent in the payment of financial obligations to the Club shall first be suspended pursuant to Section 7.4. Suspension does not terminate a Membership, and a suspended Member shall continue to be liable for Membership Fees accruing during the period of suspension.

(b) Notice and Hearing. Except as provided below, before the Club levies any sanction it shall provide the Member or Authorized User against whom the sanction is to be levied with written notice and an opportunity for a hearing before the Board or its designee in accordance with the procedures set forth in the Club Rules.

Suspension or expulsion of a Member shall automatically operate to suspend or terminate, respectively, the rights and privileges of the Member's Authorized Users, and guests. Suspension or expulsion of a Designee or a Member of the Member's Authorized User shall not affect the rights and privileges of the Member.

The expulsion of a Member shall be treated as a resignation of the Membership. However, expulsion of an Oldfield Equity Golf Member who owns Property in the Community shall operate to terminate the privileges of the Golf Membership only; the Member shall remain a Community Member as long as the Member owns Property in the Community, subject to the Board's right to suspend the privileges of such Community Membership in accordance with this Section. A Cottage Golf Member may not be expelled, but the Board may suspend the Member's privileges in accordance with this section. Any Member whose Membership privileges have been suspended shall remain responsible for all Membership Fees during the period of suspension.

(c) Appeal. Following a hearing before a designee of the Board, the violator shall have the right to appeal the decision to the Board of Directors. To exercise this right, the Club must receive written notice of appeal within 10 days after the hearing date.

Article V **Officers**

5.1. Officers.

The officers of the Club shall be a President, Vice President, Secretary, and Treasurer. The Board of Directors shall elect the President and Secretary from among the Members of the Board; other officers may, but need not be, members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. The same person may hold any two or more offices, except the offices of President and Secretary.

5.2. Election and Term of Office.

The Board shall elect the officers of the Club at the first meeting of the Board following each annual meeting of the Members, to serve until their successors are elected.

5.3. Removal and Vacancies.

The Board may remove any officer whenever in its judgment removal will serve the best interests of the Club, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

5.4. Powers and Duties.

The officers of the Club shall each have such powers and duties as generally pertain to their respective offices, as well as such other powers and duties as the Board may specify. The President shall be the chief executive officer of the Club. The Treasurer shall have primary responsibility for the preparation of the budget but may delegate all or part of the preparation and notification duties to a finance committee, the Club Manager, or both.

5.5. Resignation.

Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. An officer who ceases to be an equity Member of the Club shall be deemed to have resigned as an officer on the effective date of the termination of such officer's equity Membership.

5.6. Agreements, Contracts, Deeds, Leases, Checks, Etc.

All agreements, contracts, deeds, leases, checks, and other instruments of the Club shall be executed by at least two officers or by such other person or persons as the Board may designate by resolution.

5.7. Compensation.

Compensation of officers shall be subject to the same limitations as compensation of directors under Section 4.12.

Article VI
Committees

6.1. General.

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

6.2. Membership Committee.

The Board may appoint a Membership Committee to act in an advisory capacity to the Board or the Sponsor regarding review, evaluation, approval, or rejection of any application for Membership and to serve such other Membership-related purposes and functions as the Board may determine from time to time.

6.3. Advisory Committee.

The Board may, but shall not be required to, appoint a committee to serve in an advisory capacity to the Board regarding matters of Club management and operations and to perform such duties as the Board may delegate to it from time to time. Such committee, if appointed, shall have no authority to bind

the Board or the Club. The members of any advisory committee may, but need not be, Members of the Club. The Board may appoint, and may remove and replace, the members of any such committee in its sole and absolute discretion and may determine the number and term of office of members of such committee in its sole discretion.

Article VII **Membership Fees**

7.1. Membership Contribution.

Sponsor has the right to set and change the Membership Contribution for each Membership classification and subclassification in its sole discretion until all Authorized Golf Memberships have initially been sold to persons other than the Sponsor or affiliates of the Sponsor. Thereafter, the Club's Board of Directors shall have such right. The Membership Contribution to be paid by a candidate for Membership shall be the Membership Contribution in effect on the date the candidate executes his or her Membership Agreement, provided that the candidate has been extended an invitation to join the Club, a Membership is available, and the candidate accepts such Membership within 15 days after receipt of Club's invitation to become a Member. Except as may otherwise be provided in the Member's Membership Agreement, the Membership Contribution for Membership is due in full at the time the Membership Agreement is executed. If a candidate for Oldfield Equity Golf Membership or Cottage Golf Membership does not consummate the purchase of a home or home site in the Community in accordance with their purchase contract, the Membership Agreement will be cancelled and the Membership Contribution will be refunded in full.

7.2. Periodic Dues and Fees.

(a) Establishment of Dues and Fee Structure. The Sponsor, prior to the Turnover Date, or the Board of Directors, after the Turnover Date, shall have the right to set and change the dues and other charges payable by the Members, subject to the limitations set forth in Section 2.1. The Sponsor and the Board of Directors, as applicable, may establish different levels of dues for each classification of Membership and within a classification based on the Member's status as a "Resident" or "Non-resident," as defined in this Section. No dues shall be payable for unsold Memberships which the Club holds in inventory.

A Member who does not own or rent a home within a 50-mile radius of the Club Facilities for more than three months out of any 12-month period, or otherwise reside within a 50-mile radius of the Club Facilities for more than three months out of any 12-month period, shall be eligible to elect Non-resident dues status; however, no Member shall be eligible for Non-resident dues status for more than three years from the date of issuance of the Member's Membership. Members who are eligible for and elect Non-resident dues status shall pay dues at the Non-resident dues rate and shall pay the rate for greens fees and cart fees established by the Sponsor or Board, except that until December 31, 2005, no greens fees shall be charged to a Member with Non-resident dues status for the first 15 rounds played on account of such membership in any calendar year. All Members who do not qualify for and elect Non-resident dues status by written notice to the Club shall pay dues at the Resident rate as established by the Sponsor or the Board pursuant to this section.

In addition, the Club may charge minimum usage fees on a semi-annual basis in arrears. Members will receive credit against such minimum usage fee for food and beverage purchases, golf cart rentals, equipment rentals, and services purchased from the Club during the preceding six-month period. The Club may charge other fees for specific items and services. Current charges for other items and services are set forth in a schedule available from the Club.

(b) Commencement of Dues Payment. Membership dues for all Golf Memberships commenced on the Golf Commencement Date. Membership dues for all Social Memberships

commenced on the Social Commencement Date. All dues are annual dues, and shall be prorated for any partial year in which dues commence. The Board may permit dues to be paid in monthly, quarterly or semi-annual installments. The dues payable for each Membership classification shall be as set forth on a schedule available from the Club. Any Honorary Memberships that are not exempt from payment of dues shall be charged the same dues as Oldfield Equity Golf Memberships. New Members shall pay prorated dues commencing on the first day of the month in which they become Members.

7.3. Assessments.

Prior to the Turnover Date, there shall be no assessment of the Members. After the Turnover Date, the Club may assess Equity Golf, Cottage Golf, Corporate Golf, and Community Members, subject to the following:

(a) Any assessment for capital improvements shall be subject to the approval of at least two-thirds of the Voting Power of Equity Golf, Cottage Golf, and Corporate Golf Members and two-thirds of the Voting Power of Community Members, except that Community Members shall have no right to vote on, and shall not be subject to, any assessment for capital improvements to the Golf Facilities or which benefit only Golf Members.

(b) Any assessment for operating deficits or unbudgeted repairs, maintenance or replacements shall require the approval of a majority of the Voting Power held by Equity Golf, Cottage Golf, and Corporate Golf Members and a majority of the Voting Power held by Community Members, except that Community Members shall have no right to vote on, and shall not be subject to, any assessment for operating deficits or unbudgeted repairs, maintenance or replacements relating solely to the Golf Facilities or golf operations.

The Club shall assess all Memberships subject to a particular assessment equally, except that Corporate Golf Memberships shall be assessed at twice the rate of Oldfield Equity Golf Memberships.

7.4. Delinquencies.

Unless the Board provides otherwise by resolution, the Club shall mail to each Member and to each assignee under Section 2.3(c), on a monthly basis, an itemized statement of the Membership Fees payable by the Member or assignee. Any Member or assignee failing to pay the full amount due within 30 days after the date of such statement shall be considered delinquent. The Club may impose a reasonable late charge on all delinquent accounts in such amount as the Board of Directors may determine.

The Club shall send written notice to any delinquent Member or assignee specifying the amount of any late charge imposed on the Member's or assignee's account. If the Club does not receive payment of the full amount due within 30 days after such notice, the Club may post, at a conspicuous place in the Club Facilities, the name of the Member or assignee and the amount due to the Club. In addition, the Club may suspend the delinquent Member's or assignee's credit privileges. If the Member or assignee does not pay such indebtedness in full within 60 days after such notice of delinquency, the Board of Directors may suspend the use privileges of the delinquent Member or assignee and the Member's or assignee's Authorized Users. The Board shall not reinstate a suspended Member's or assignee privileges until the Member or assignee has paid all Membership Fees, including those accruing during the period of suspension, plus late charges, any attorneys' fees which the Club incurred with respect to the deficiency, and interest on the total amount due calculated at the lesser of 15% per annum, or the maximum rate permitted by law, from the date first due and payable.

If any Golf Member other than a Cottage Golf Member is suspended pursuant to this Section and fails to pay all Membership Fees and reinstate the Member's Membership within 30 days of such suspension, the Board may commence proceedings to terminate the Member's Golf Membership

pursuant to Section 4.21 upon written notification sent by certified mail to the delinquent Member. The Club may sue any Member or assignee to recover a money judgment for unpaid Membership Fees, without waiving any other rights.

The Board of Directors may authorize the institution of legal action by the Club for the collection of Membership Fees owed by a Member or assignee. If the Board of Directors retains legal counsel to collect any such amount, the Club shall be entitled to recover from the Member or assignee, in addition to all delinquent sums, late charges and interest calculated as provided above, and its reasonable costs, expenses and attorneys' fees incurred in attempting to collect and in collecting such amount, whether or not legal action is in fact instituted.

Article VIII **Rights of Sponsor; Restrictions on Club**

8.1. Rights of Sponsor.

As more particularly described in the Transfer Agreement, the Sponsor has committed to fund all costs of constructing the Club Facilities and to convey the land upon which the Club Facilities are located, together with the Club Facilities, to the Club not later than the Turnover Date. Prior to the Turnover Date, the Sponsor has committed to fund all cumulative net operating deficits of the Club (as defined in the Transfer Agreement). As consideration for those commitments and undertakings, which will confer substantial benefit and financial stability to the Club and its operations in its formative years, the Sponsor has certain rights and privileges which are set forth in the Transfer Agreement. The rights of the Sponsor set forth in the Transfer Agreement are incorporated by this reference.

8.2. Restrictions on Club.

Neither the Club nor the Membership shall, without the prior written consent of the Sponsor, which consent may be withheld in the Sponsor's sole and absolute discretion:

- (a) modify any provision of the Bylaws, the Club Rules, the Offering Plan for Oldfield Club, the Candidate Profile, or the Membership Agreement in a manner which is inconsistent with the rights reserved to the Sponsor under the Transfer Agreement;
- (b) sell, transfer, or pledge the Club Facilities; or
- (c) take any other action which, in the Sponsor's sole and absolute opinion, adversely affects the ability to sell Memberships or homes or home sites in the Community.

Article IX **Miscellaneous**

9.1. Fiscal Year.

The fiscal year of the Club shall be the calendar year, unless the Board establishes a different fiscal year by resolution.

9.2. Parliamentary Rules.

Except as the Board may otherwise provide by resolution, Robert's Rules of Order (current edition) shall govern the conduct of Club proceedings when not in conflict with South Carolina law, the Articles, or these Bylaws.

9.3. Conflicts.

If there are conflicts among the provisions of South Carolina law, the Articles, these Bylaws, the Transfer Agreement and the Offering Plan, the provisions of South Carolina law, the Articles, the Transfer Agreement and these Bylaws (in that order) shall prevail.

9.4. Books and Records.

(a) Inspection by Members. The Board shall make the following available for inspection and copying by any equity Member or the duly appointed representative of an equity Member at any reasonable time and for a purpose reasonably related to such person's interest in the Membership: Offering Plan, Bylaws, and Articles, including any amendments, the Club Rules, the Membership roster, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Club or at such other place in reasonable proximity to the Club Facilities as the Board shall designate.

(b) Rules for Inspection. The Board shall establish rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing documents requested.

(c) Inspection by Officers and Directors. Every officer and director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Club and the physical properties owned or controlled by the Club for purposes related to such director's duties as a director. The right of inspection by a director includes the right to make a copy of relevant documents at the Club's expense.

9.5. Taxes.

The Club shall charge to each Member and each Member shall pay any tax or assessment which the United States Government, the State of South Carolina, or any political subdivision thereof, or any other governmental agency, may impose on any Membership Fee paid or payable by the Member to the Club.

9.6. Club's Remedies Nonexclusive.

The remedies that these Bylaws afford to the Club with respect to Members shall be cumulative and nonexclusive. The Club may, in addition to pursuing any internal remedies, pursue any legal remedies that it may have without making any election of remedies.

9.7. Severability.

Should any court having jurisdiction hold any clause, provision or part of these Bylaws to be void or voidable, the remaining provisions shall nevertheless remain in full force and effect.

9.8. Notices.

Except as these Bylaws may otherwise provide, all notices, demands, bills, statements, or other communications required hereunder shall be in writing and shall be deemed to have been duly given as of the date delivered, if personally delivered or, if mailed, on the third business day following the date of deposit with the United States Postal Service, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the residence of such Member; or

(b) if to the Club, the Board, or the Club Manager, at the principal office of the Club or the Club Manager or at such other address as the Club shall designate by notice to the Members in accordance with this Section.

9.9. Indemnification.

To the fullest extent permitted by South Carolina law, as amended from time to time, the Club shall indemnify each person to whom indemnification may be offered under such law. The Club may, in the discretion of the Board, but shall not be obligated to, advance expenses for the defense of any action to which a person is entitled to indemnification under this Section.

9.10. Amendment.

(a) Approval by Equity Members. Except as otherwise specifically provided in these Bylaws, these Bylaws may be amended:

(i) prior to the issuance of the first equity Membership, by the Sponsor Member in its sole and absolute discretion;

(ii) after the issuance of the first equity Membership but prior to the Turnover Date, upon a resolution duly adopted by the Board of Directors and the consent of the Sponsor; and

(iii) after the Turnover Date, upon a resolution duly adopted by the Board of Directors and the affirmative vote of not less than 50% of the Voting Power of the Equity Golf, Cottage Golf, and Corporate Golf Members and not less than 50% of the Voting Power of the Community Members, and the consent of the Sponsor, if required pursuant to Section 9.10(b).

(b) Approval by Sponsor. The Club shall not amend these Bylaws, nor make any change in the number, classes or categories of Membership without the prior written consent of the Sponsor until all homes and home sites planned for the Community have initially been sold to persons other than a developer or builder.

(c) Validity and Effective Date of Amendments. Amendments to these Bylaws shall become effective upon adoption. Any procedural challenge to an amendment must be made within six months of its adoption or it shall be presumed that such amendment was validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Oldfield Club, a South Carolina nonprofit corporation;

That the foregoing Amended Bylaws constitute the amended Bylaws of the corporation, as duly adopted by unanimous written consent in lieu of a meeting of the Board of Directors thereof on the ____ day of _____, 20____.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of _____, 20____.

Secretary