

By-Laws

Cooperative Association La Cabana Beach & Racquet Club

I. Membership & Voting Rights

- A. Membership in the Association is limited to those persons or entities owning shares in the Cooperative Association.
- B. Except as provided in C below, each owner will be entitled to vote his or her shares at each members meeting in accordance with the provisions of the Articles of Incorporation and Basic Agreement.
- C. Those owners who have received foreclosure notice from the Cooperative Association have forfeited their shares to the Cooperative Association and the Cooperative Association is the owner of such shares. The Cooperative Association shall not be entitled to vote any shares so owned by it.
- D. At the last Board meeting preceding any membership meeting, the Managing Board shall establish the effective date of record for ownership and address for the mailing of notices to the membership for the upcoming meeting. Such effective date shall not be more than 90 days in advance of the members meeting date.
- E. Votes for a given share ownership cannot be split. If more than one person or entity owns shares jointly, one owner must be designated as the voting owner, and such voting owner shall direct the vote for the shares held commensurate with that ownership.
- F. If shares are owned by a corporation or NV or other legal entity other than an individual, the vote of those shares will be directed by a managing director, the President, or the person designated by the managing director or President in writing.
- G. Members may vote in person by ballot, electronically or by proxy. All proxies must be in writing and signed by the member entitled to vote. Proxies must be submitted in accordance with the procedures provided on such proxy.
- H. Matters voted upon by the membership shall be decided by a majority of the members present in person and by proxy at any members meeting properly called and qualified to transact business as provided in the Articles and these By-Laws.

II. Membership Meetings

- A. The provisions of the Articles of Incorporation and Basic Agreement will govern all membership meetings.
- B. Notice of all membership meetings will be provided in accordance with the provisions stated in the Articles of Incorporation and Basic Agreement.

III. Directors

- A. The Managing Board shall govern the affairs of the Cooperative Association.
- B. The Managing Board shall consist of seven (7) persons. Should any Director's position become vacant prior to election of a replacement director, that position shall remain vacant until the successor is elected at the next annual members meeting. Matters coming before the Board during such time shall be voted upon and decided by the majority of the remaining Directors.

- C. Managing Board members shall be elected by the membership from a slate of nominees.
 - D. At least 90 days prior to the membership meeting, the Board shall solicit nominees from among the membership. Any member in good standing can make nominations, and members may nominate themselves. All nominees shall complete a profile to be provided to the members to assist in their voting decision.
 - E. All nominees providing the required information and accepting the nomination to serve will be included in the ballot. The Board, at its election, may make a recommendation of a given candidate.
 - F. Unless resigned or removed in accordance with the provisions of the Articles of Incorporation, each Board member shall serve a six (6) year term. Terms shall be staggered so that one or two Board members are elected. In order to begin the staggering of such terms, the existing Board shall be assigned terms based on those with the most tenure serving the shortest initial term. Such initial terms shall be from the date of the annual members meeting in 2004 and shall be as follows:
 - a. Martin Doctrow 2 years
 - b. Brenda Hodges 2 years
 - c. Anthony Wever 4 years
 - d. Robert Corbin 4 years
 - e. William Mosconi 5 years
 - f. Director elected in 2004 6 years
 - g. Director elected in 2004 6 years
 - G. Newly elected Directors' terms shall begin January 1 following the AGM in which they are elected and shall continue until December 31 of the sixth (6) year after election.
 - H. Existing Directors may be re-elected for successive terms.
 - I. The Cooperative Association shall indemnify each Director and Officer against loss, cost or expense reasonably incurred by him in connection with any proceeding to which he is made a party by reason of his service as a Board member.
 - J. Reasonable travel costs for the Director to attend meetings or travel to conduct Coop business will be reimbursed by the Coop. Such travel costs shall include airfare, meals for the Director, lodging, and other direct costs of conducting Coop business that may be deemed appropriate for reimbursement from time to time. The policies and procedures for reimbursement of Board members' expenses shall be documented in writing and approved by the Board.
 - K. Board members will annually receive compensation for lost work time due to their attendance at Board meetings. The Board's policy regarding such compensation shall be documented in writing and approved by the Board.
- IV. Meetings of the Managing Board
- A. Regular meetings of the Managing Board shall be held three times per year in the first calendar quarter of the year, second calendar quarter of the year, and immediately following the annual membership meeting in the third or fourth calendar quarter of the year. Regular meetings must be attended in person and cannot be attended by phone or proxy. Regular meetings will be held at the resort unless the majority of the Board specifically decides upon an alternate location due to extenuating circumstances.

- B. Special meetings of the Board may be called by a consensus of a majority of the Managing Board . Special meetings may be attended via phone or in person at any location agreed upon by a consensus of a majority of the Board.
 - C. Notice of any special meeting shall be delivered to each Board member in person, by mail, by phone or by email at least five (5) days in advance of such meeting.
 - D. Notice of any regular meeting shall be delivered to each Board member in person, by mail, by phone, or by email at least thirty (30) days prior to such meeting, unless such regular meeting date was set at a preceding Board meeting where such Board member was present.
 - E. A majority of the Board members shall constitute a quorum at any meeting.
 - F. Each director shall have one vote in all Board matters, and decisions shall be based on the vote of a majority of the Board members present at any meeting having a quorum of the Board.
- V. Officers of the Managing Board
- A. The officers of the Board shall consist of :
 - i. President
 - ii. Vice President
 - iii. Secretary
 - iv. Treasurer
 - B. Officers shall be elected by majority of the Board from among the Board membership.
 - C. Officers for each year shall be elected in the first Board meeting after the AGM of that year, and such officers' terms shall continue until the following year when their successor is elected. Officers may be re-elected to the same position or may be elected to a different position
 - D. If any officer resigns or is otherwise removed, the Board shall elect a replacement to serve for the remaining term of the resigned or removed officer.
- VI. By-Law Amendments and Other Rules and Regulations
- A. These By-Laws may be amended by vote of the membership at any members meeting provided such amendment has been properly brought before the meeting and such amendment is approved by the membership in accordance with the voting requirements and quorum requirements contained herein and in the Articles of Incorporation and Basic Agreement.
 - B. The Managing Board may adopt or direct the management to adopt administrative rules and regulations regarding the operation of the resort. Any changes to such rules will be posted in a prominent place on the property and/or will be communicated to the owners via routine communication vehicles such as the newsletter.