Cazenovia Golf Club Operating Reserve Fund and Investment Policies

(Adopted on PLACEHOLDER)

Contents

1. Cazenovia Golf Club Operating Reserve Fund Policy

1.1 Purpose

The general purpose of the Cazenovia Golf Club ("CGC") Operating Reserve Fund Policy ("CGC Operating Reserve") is to help ensure the long-term financial stability of CGC. This includes (1) positioning CGC to respond to varying economic conditions and changes affecting CGC's financial position, and (2) ensuring CGC can continuously carry out its purpose in accordance with the CGC by-laws.

CGC will maintain an Operating Reserve to achieve the following objectives: (1) enable CGC to sustain operations through periods of operating challenges including revenue shortfalls and/or heighted expenses, and (2) promote confidence in the long-term sustainability by preventing cash flow crises.

1.2 CGC Operating Reserve Balance

Each December, the CGC Board of Directors "Board" will establish the CGC Operating Reserve for the upcoming year pursuant to the Cazenovia Golf Club Operating Reserve Fund Policy ("CGC Operating Reserve Meeting").

The CGC Operating Reserve for the upcoming year is the sum of the two months with the highest operating costs from the current year ("CGC Operating Reserve Formula"). The CGC Operating Reserve Formula allows the CGC Operating Reserve to fluctuate on a year-to-year basis to adapt to changes in operating expenses and inflation.

The Board will vote on the CGC Operating Reserve for the upcoming year in accordance with Article V Section 5 (Quorum) of the CGC by-laws and will be recorded as part of the minutes of the meeting.

Changes to the CGC Operating Reserve Formula requires a vote of the Board and a vote of Members in accordance with Article IV Section 11.

1.3 CGC Operating Reserve Management

The CGC Operating Reserve will be maintained in a separate account which is designated solely for the CGC Operating Reserve balance ("CGC Operating Reserve Account"). It is permissible for the CGC Operating Reserve to be maintained in an interest-bearing account which includes Federal Deposit Insurance Corporation ("FDIC") insured savings accounts, FDIC insured money market accounts, FDIC insured certificates of deposit ("CDs"), and Securities Investors Protection Corporation ("SIPC") insured money market mutual funds[1].

The President and Treasurer are the only parties who are authorized to transfer funds to and from the CGC Operating Reserve Account. It is permissible for the President or Treasurer to transfer interest earned to another CGC account without a vote from the Board provided the CGC Operating Reserve Account balance continues to satisfy the current year CGC Operating Reserve requirement. Under no circumstances is it permissible to remove funds from the CGC Operating Reserve Account for the purpose of funding capital initiatives.

By the end of each January, the Treasurer will adjust the balance in the CGC Operating Reserve Account in accordance with the CGC Operating Reserve which was established at the CGC Operating Reserve Meeting in December of the previous year. Types of permitted adjustments include removing funds in excess of the CGC Operating Reserve or adding funds from separate CGC account(s) to increase the balance in the CGC Operating Reserve Account. In cases when the CGC Operating Reserve Account balance needs to be increased and there are insufficient funds in other CGC accounts, the Board will define a plan (including timing) for when the funding will occur ("Funding Plan"). The Board will vote on the Funding Plan in accordance with Article V Section 5 (Quorum) of the CGC by-laws.

During the year, if it becomes necessary for CGC operations to be funded from the CGC Operating Reserve, the President and Treasurer will not be permitted to transfer funds from the CGC Operating Reserve Account until the Board defines and votes on a plan ("CGC Operating Reserve Use Plan") in accordance with Article V Section 5 (Quorum) of the CGC by-laws. The plan should consider if and when the CGC Operating Reserve Account funds can be replaced, steps the Board will take to minimize additional transfers from the CGC Operating Reserve Account, and the possible use of short-term debt in accordance with Article IV Section 2 of the CGC by-laws. The Board is required to notify Members about the plan when the proposed transfer represents ten percent or more of the CGC Operating Reserve Account balance.

1.4 CGC Operating Reserve Oversight

The CGC Treasurer or designee is responsible for the oversight of the CGC Operating Reserve. The Treasurer Report will include CGC Operating Reserve updates ("CGC Operating Reserve Updates") at regular meetings of the Board, at regular meetings of the Finance Committee, and at regular meetings with Members as defined in Article III Section 1 (Fall Meeting) and Article III Section 2 (Spring Meeting) of the CGC by-laws.

CGC Operating Reserve Updates will include: (1) cash on hand in excess of the CGC Operating Reserve, (2) total year-to-date use of the CGC Operating Reserve, (3) risk of CGC Operating Reserve usage for the duration of the calendar year, (4) updates on Funding Plans (when applicable), (5) updates on CGC Operating Reserve Use Plans (when applicable) and (6) updates on Forecasted Operating Reserve Deficit Plans as defined in section 1.4 of the CGC Operating Reserve Policy.

Risk of CGC Operating Reserve usage for the duration of the calendar year will be determined by comparing cash in excess of the CGC Operating Reserve ("Excess Cash") vs. the sum of monthly profit and loss forecasts for the duration of the year ("P&L Forecast"). When the P&L Forecast exceeds Excess Cash ("Forecasted Operating Reserve Deficit"), the Board will be required to define a plan to address the Forecasted Operating Reserve Deficit ("Forecasted Operating Reserve Deficit Plans").

The Finance Committee will perform a review of the previous year's CGC Operating Reserve as part of the detailed review described in Article VII Section 11 of the CGC by-laws.

2. Cazenovia Golf Club Investment Policy

2.1 Purpose

The general purpose of the Cazenovia Golf Club Investment Policy ("Investment Policy") is to (1) define the types of accounts which may hold funds in excess of the CGC Operating Reserve ("Excess Funds"), (2) define management of Excess Funds, and (3) define oversight of Excess Funds.

2.2 Types of Accounts

It is permissible to hold Excess Funds in the following types of accounts: (1) Federal Deposit Insurance Corporation ("FDIC") checking account ("Operating Account"), (2) FDIC insured savings accounts, (3) FDIC insured money market accounts, (4) FDIC insured certificates of deposit ("CDs"), and (5) Securities Investors Protection Corporation ("SIPC") insured money market mutual funds[1]. Changes to the types of accounts which are permitted to hold Excess Funds requires a vote of the Board and a vote of Members in accordance with Article IV Section 11.

2.3 Management of Excess Funds

The President and Treasurer are the only parties who are authorized to transfer funds between the accounts which hold Excess Funds. It is permissible for the President or Treasurer to transfer funds between the accounts which hold Excess Funds without a vote from the Board. Throughout the year, the President and Treasurer will balance funding the Operating Account with earning interest on Excess Funds.

2.4 Oversight of Excess Funds

The CGC Treasurer or designee is responsible for the oversight of Excess Funds. The Treasurer Report will include Excess Funds updates ("Excess Fund Updates") at regular meetings of the Board, at regular meetings of the Finance Committee, and at regular meetings with Members as defined in Article III Section 1 (Fall Meeting) and Article III Section 2 (Spring Meeting) of the CGC by-laws.

Excess Fund Updates will include the following information for all accounts holding Excess Funds during the period: (1) starting balance, (2) total deposits, (3) total withdrawals, (4) ending balance, and (5) interest earned.

The Finance Committee will perform a review of the previous year's Excess Funds as part of the detailed review described in Article VII Section 11 of the CGC by-laws. The focus of the review is to assess any potential opportunities to improve the management of Excess Funds.

[1] SIPC-insured money market mutual funds carry investment risks because SIPC coverage only protects against a brokerage firm's bankruptcy or fraud, not against market losses or a drop in the fund's value. While money market mutual funds are classified as "securities" and are protected by SIPC up to $500,000 if the broker-dealer goes bankrupt, they do not have the same principal guarantees as FDIC-insured bank accounts. Even though money market funds are structured to be exceptionally safe, they are subject to several underlying financial risks such as: (1) Net Asset Value ("NAV") Risk – Money market funds aim to maintain a stable Net Asset Value (NAV) of exactly $1.00 per share. During periods of severe economic decline, If the underlying assets decline significantly, the NAV can fall below $1.00, meaning the investment loses, (2) Liquidity Risk – during periods of extreme economic panic, a sudden rush of investors trying to pull out their cash can force a fund to sell its assets at a steep loss, and (3) Inflation Risk – because money market funds focus on ultra-safe, short-term debt, their yields may not always keep pace with high inflation, eroding your real purchasing power over time