

BYLAWS of  
THE SPRINGDALE RECREATION CLUB, INC.  
Incorporated Under the Laws of the State of North Carolina

Article I – Name and Location

1. The name of the corporation shall be The Springdale Recreation Club, Inc., DBA Springdale Area Recreation Club (hereinafter referred to as the “Club” or “SARC”) located 9001 Leesville Road, Raleigh, NC, 27613.
2. The property of the Club shall consist of the club house(s), swimming pool, tennis courts, volleyball courts, and grounds suitable for social, swimming, tennis, and other activities approved by the Board of Directors, and such other property and facilities as may be necessary for the Club’s purpose.

ARTICLE II – Purpose

1. SARC is organized and operated exclusively as a social club for the pleasure and recreation of its members and their guests within the meaning of §501(c)(7) of the Internal Revenue Code or the corresponding provision of any future United States internal revenue law.
2. Use of the facilities for other purposes is at the discretion of the SARC Board of Directors (“Board”).
3. In the conduct of all aspects of its activities, the Club shall not discriminate on the grounds of race, creed, color, national origin, gender or sexual orientation. Participation in divisions of tournaments and other events may be restricted on the basis of sex or age.
4. Prohibited activities are outlined in a later section of these bylaws.

ARTICLE III – Membership

1. Qualification for Membership
  - a. Membership to the Club is open to all persons without regard to race, creed, color, national origin, gender or sexual orientation.
  - b. Prospective new members will submit an application for membership to the membership committee. Application for membership is approved by the Board. Once approved, new members are accepted in order of the date their membership application was received up until the membership limit is reached.
  - c. New members will pay the annual membership fee and initiation fee before their membership is considered active. This requirement may be set aside or revoked, in whole or in part, at the discretion of the Board.
  - d. Members in good standing are current on dues, fees and assessments; are not currently suspended under the disciplinary articles of these bylaws; and agree to abide by the bylaws and rules of the Club.

## 2. Term and Definition of Membership

- a. The membership term is from April 1<sup>st</sup> to March 31<sup>st</sup>. This constitutes a “club year”.
- b. Each membership shall be entitled to one vote at any annual or special membership meeting, providing they have paid all dues, assessments, fees and charges, and are otherwise members in good standing.
- c. Classes of Membership
  - i. Individual. Any individual 18 years of age or over.
  - ii. Family. A family consists of one household unit defined as an individual or two adults living together with all dependents of such persons who reside in their household (subject to absences due to college attendance, military service or other similar causes).
  - iii. Inactive. Inactive members are previously active members who are within three “club years” of their last active membership year. Inactive members may re-apply for membership by paying a \$50 reactivation fee and the annual membership fee. Initiation fee is waived for these members reactivating within the allowed timeframe.
  - iv. Membership Certificate Holders: Previous to 1997, the Club utilized Membership Certificates to certify Club membership. This initiative ceased in 1997. Membership Certificates are still honored as follows:  
Presentation of a valid Membership Certificate allows the holder to reactivate membership indefinitely, with payment of a \$50 reactivation fee. Should a waiting list exist at the time of re-application; the family will be added to the waiting list in order of notification and can reactive membership upon availability.  
Membership Certificates can only be transferred one time and will incur a one-time \$100 Certificate Transfer fee payable to the Club. Membership Certificates cannot be ‘loaned’ to another family as a rental incentive or other temporary situation.
  - v. Additional levels of membership may be added at the discretion of the Board.

## 3. Membership Cap and Waiting List Priority

- a. Membership Cap
  - i. To comply with state regulations and for the enjoyment of its members, Club membership is limited to 350 memberships.
  - ii. On an annual basis, the Board can vote to increase membership by up to 5% above the prescribed limit.
- b. Waiting List. A waiting list is maintained if the membership limit is reached. Prospective members, including currently inactive members and bondholders are added to the waiting list on a first-come first-served basis.

## 4. Restriction of Membership Transfer

- a. Except where outlined in this provision, memberships shall not be sold, transferred, loaned, rented or otherwise assigned.

- b. As of 1997, the Club will no longer buy memberships back. Members who purchased membership certificates prior to 1997 have recourse for membership transfer solely as described below.
  - i. Membership bonds issued prior to 1997 may be offered for sale or transferred only once after 1997. There is a one-time \$100 certificate transfer fee. Thereafter, no further sales or transfer can be made. If there is no waiting list, the membership certificate recipient may apply for membership immediately. If there is a waiting list, the process described above shall apply.
- c. In the event that a membership household becomes legally separated, both adults shall be entitled to use the Club facilities until a final divorce decree is obtained. Once the divorce is final, the parties have ninety (90) days to notify the Club as to who shall continue the membership. The other person may apply for membership as desired.
- d. Upon the death of a member, the membership shall automatically vest to his or her surviving spouse. In case of no surviving adult member, the membership shall convey to the legal guardian of any surviving minor children. Otherwise, the membership becomes null and void.

#### 5. Proof of Membership

- a. An identification card or badge may be issued by the Treasurer to every Active Member upon the payment of dues. The Board may implement such other or additional systems and procedures as it deems appropriate to prevent the use of the Club facilities by unauthorized persons.

#### 6. Rights and Obligations of members

- a. All members of the Club shall be entitled to use the facilities of the Club subject to the Club Rules and Regulations then in force. Such Rules and Regulations shall be posted at all times in a prominent place on Club property. Inactive Members shall not be entitled to use Club facilities unless accompanied by an active member or until they are reinstated to Active Membership status.

#### 7. Guests

- a. Members of the Club may invite non-members to use Club facilities. During peak usage times, such as weekends, holidays and special events, management may limit or prohibit the number of guests admitted.
- b. The inviting member shall be responsible for the conduct of all invited guests while on the property to include replacement of any Club property which is broken, damaged or removed without authorization.
- c. Additional rules regarding guests may be determined by the Board.
- d. Guest fees will be set by the Board annually.

## 8. Voting Rights

- a. Each member household deemed in good standing by the Club Secretary at the start of a meeting shall be entitled to cast one vote, either in person or by proxy, for matters requiring such attention at membership meetings.
- b. Proxies must be in writing and filed with the secretary no later than the commencement of the meeting.

## 9. Resignations

- a. Any member of the Club may resign from the Club at any time by submitting written notice to the Board. Resignation shall become effective on the last day of the month that the written notification was received. Notice of resignation forfeits all rights and privileges of membership.
- b. There shall be no refund of the current year's dues or initiation fees paid. Resignation does not relieve liability for current indebtedness to the Club.
- c. Members who resign will be considered inactive members as prescribed in the Membership article of this document.

## ARTICLE IV - Club Rules

### 1. Formation

- a. All Club rules governing members, guests, officers, committees and employees shall be formulated by the Board with the advice of the various standing and special committees.
- b. Copies of all rules shall be posted in conspicuous places on and about the Club premises and posted on the Club website. The Secretary shall distribute such copies of these bylaws and any and all future amendments thereof to all members of the Club.

### 2. Enforcement and Appeal

- a. Each committee shall primarily be responsible for the enforcement of such Club rules and bylaws related to its particular function with the Board's approval.
- b. Any member shall have the right to appeal to the Board from the decision of the committee with respect to its interpretation and enforcement of any rules or bylaws, and the Board's decision in all such matters shall be final.

### 3. Complaints, Reprimand, Suspension and Expulsion

- a. Any complaints made by a member regarding the conduct of another member or guest, or the conduct or performance of any officer, director, committee member or other employee of the Club, or regarding any phase of the operation of any Club facility, shall be submitted in writing by such complaining members to the Secretary, who shall transmit it to the Board for final decision and disposition.
- b. The Board has the authority to privately discipline or to publicly reprimand, suspend or expel any member for cause after the member has been an opportunity for a hearing by the Board. Grounds for action by the Board include, but are not limited

- to, delinquency, violation of these bylaws or of the Rules and Regulations of the Club, or unbecoming conduct prejudicial to the Club's welfare, good order and discipline.
- c. The charged member will be allowed the opportunity to present a defense to the Board. One week's written notice specifying the time and place the Board will consider the charges, accompanied by a written specification there of shall be considered as affording such member sufficient opportunity to present his defense. A 2/3 vote of the members of the Board present at any meeting thereof is required to approve a suspension or reprimand. A ¾ vote of the total Board is required to approve an expulsion. Suspensions shall not exceed three (3) months.
  - d. A member may be privately disciplined for cause upon the affirmative vote of a majority of the Board present, but public reprimand, suspension or expulsion shall require the affirmative vote of three-fourths of the Directors present
  - e. There shall be no refund of the current year's dues, partial or in full, for the period of suspension or expulsion. There shall be no refund of initiation fees in the event of expulsion. Expelled members shall immediately surrender all Club property including, but not limited to membership cards and keys, upon notification of expulsion.
  - f. The Board may delegate to the Pool Manager or to a responsible employee of the Club the power to suspend Club privileges for violations of Club Rules and Regulations provided such suspension does not exceed seven (7) days. A written report of such suspension, detailing the reasons therefore, shall be submitted to the President within forty-eight (48) hours.

## ARTICLE V – Dues and Assessments

### 1. Dues

- a. The Board will establish membership dues and fees annually. Annual dues will be sufficient to provide for the operating expenses of the Club and the proper maintenance and improvement of the property to include establishing reserves to provide for anticipated repairs, replacements, and upgrades to Club facilities. Any increase in dues and fees will not exceed twenty percent (20%) of the previous year's amount without a majority vote of the membership.
- b. Notice of annual dues payment will be sent to each member no later than February 1<sup>st</sup> with payment due on or before April 1<sup>st</sup>.
- c. A late fee established by the Board shall be charged for all members whose dues are not received by the Treasurer by the due date.
- d. Members who are delinquent as of April 11<sup>th</sup> are subject to have their membership moved to an inactive status and their spot offered to the next in line on the waiting list.
- e. Delinquent members are not allowed to use Club facilities during their indebtedness.
- f. The Board, in its discretion, may waive or reduce any dues, fees or other charges otherwise payable hereunder in exchange for services provided by Members

(including members of the Board) to the Club to the extent of the reasonable value of such services, as determined by the Board.

2. Assessments

- a. The authority of the Board to levy an assessment (defined as a significant one-time charge to augment the capital of the Club) shall be exercised only upon the affirmative vote of the Board and confirmed by a majority vote of the membership at the next called membership meeting.

3. No dues or fees, or part thereof, shall be refunded except with the expressed authorization of the Board

4. Other Indebtedness

- a. Damage to Club Property. Members who damage Club property, or have guests who damage Club property, will have thirty (30) days to make repairs and have the repairs approved by the Board. After thirty (30) days, the Board may vote to suspend the membership until adequate repairs are made.

ARTICLE VI – Meetings

1. Annual Club Meeting

- a. The annual meeting of the Club shall be held during the month of February of each calendar year, at such time and place as the Board of Directors shall designate for the election of Directors, approval of the budget and for the transaction of other business which may be properly brought before the meeting for action.
- b. Notice of this annual meeting and a copy of the proposed budget shall be delivered by the Secretary to each active member at least twenty (20) days prior to the date of the meeting by regular or electronic mail, by posting on the SARC website and by posting on the gates leading to the SARC swimming pool and tennis courts.
- c. Notice of the Annual Meeting will include the names of the candidates for vacancies of officers who have been nominated by the Nominating Committee, as described in this document, and instructions describing the process for Members in good standing to submit independent nominations of candidates for such vacancies as described in this document.
- d. Independent nominations to fill officer vacancies may be made as provided in this document.

2. Special Club Meetings

- a. Special meetings of the Club shall be called by the President acting on behalf of the Board of Directors & Officers, or upon the written application of twenty-five (25) voting members in good standing, filed with the Secretary. Special meetings shall be held at such time and place as determined by the Board. A notice giving time and place of the meeting and stating the nature of the business to be transacted shall be delivered by the Secretary to each member of the Club at least ten (10) days prior to

the meeting, and at such meeting no other business than that stated may be transacted.

3. Quorum for Club Meetings

- a. To constitute a quorum, members who are in good standing, as defined in Article III Section 1.d, representing ten percent (10%) of the entire membership must be present. At all meetings of the Club each membership of record shall be entitled to one (1) vote.
- b. Any Member in good standing may be represented by written proxy if unable to attend in person. However, a proxy will be considered valid only if confirmed by written authorization signed by the absentee Member and presented to the Secretary prior to the meeting.
- c. Voting may be *viva voce*, but ten (10) Members in good standing, excluding those represented by proxy, shall have the right to demand voting by secret ballot.

4. Regular Board Meetings

- a. Board meetings shall meet at least quarterly at such time and place as the President shall designate. Board meetings will be scheduled and dates published to the general Club membership no less than 10 days prior to the meeting.
- b. Regular Board meetings may be cancelled by the President with a majority vote of the Board by email using the Board distribution list.
- c. In the event of the President and Vice President are absent from the meeting, the Board members present will elect a presiding officer for that meeting.

5. Special Board Meetings

- a. Special meetings of the Board shall be held on call of the President, acting on his initiative or upon written application of at least three Board members. The President shall designate the time and place of the meeting. The Secretary shall give at least twenty-four (24) hours' notice to Board members prior to the special meeting.

6. Quorum for Board Meetings

- a. A majority of the number of directors shall constitute a quorum for the transaction of business at a meeting. Every act or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.
- b. The Club President will only vote during Board meetings in order to break a tie.

7. Board Action Without Meeting

- a. Time sensitive business of the Board may be handled by email using the distribution list for the entire Board. No binding votes may be taken using a subset of the distribution list.
- b. Actions taken as a result of email voting will be recorded in the minutes of the next regularly scheduled Board meeting.

## 8. Parliamentary Rules

- a. In the conduct of all meetings, either membership or Board, *Robert's Rules of Order* (most current revision) shall govern, except where inconsistent with these bylaws, a copy of which shall be retained by the Secretary.

## ARTICLE VII – Board of Directors and Club Officers

### 1. Organization

- a. The entire management of the Club, its affairs properties and assets, are vested in the Board of Directors of twelve (12) members in good standing.
- b. Board members shall hold office for three years unless s/he be removed or be otherwise unable to serve. Board members can be reelected to the Board.
- c. The Club Officers are the President, Vice President, Secretary, Treasurer, and Finance Officer.
- d. Director positions are: Membership, Social, Tennis, Aquatics, Grounds, Operations, and Webmaster/Communications.
- e. No director shall hold more than one office at the same time.
- f. The immediate past President of the Club shall be a voting member of the Board for a period of one year even if this shall increase the Board to thirteen members. The immediate past President may hold another Board position if so elected to a new term.
- g. Multiple members of the same household may serve as directors at the same time; however, preference shall be given to officer candidates from households not represented on the Board in the following manner.
  - i. If at the time of an annual meeting one member of a household is already serving as an officer in an unexpired term, then a second member of that same household shall be eligible for election as an officer only if the number of nominations from different unrepresented households is less than the number of open officer positions; and
  - ii. Two members of the same household shall be eligible for election to directorships at the same time only if the number of nominations from unrepresented households is less than the number of open officer positions.

### 2. Nomination

- a. The President, with the consent of the Board, will appoint the Nominating Committee no less than sixty (60) days prior to the meeting for an election. The committee will be comprised of at least one director and at least two other members of the Club who may or may not be directors. The Nominating Committee shall nominate at least one person for each vacancy. Nominations will be published to the membership no less than 20-days prior to an election.
- b. Any question regarding eligibility of a nominee shall be determined initially by the Club secretary, with any appeal from the secretary's decision being determined by the Board. The Board's determination on eligibility shall be final.

- c. Nominations may also be made from the floor at the meeting of the election.
3. Election of Officers
- a. Election of Club Officers shall occur at the Club's annual meeting.
  - b. Elections may be conducted by voice vote or by written ballot. If any member in attendance at the annual meeting so requests, then the election shall be by written ballot.
  - c. Each voting membership shall be entitled to vote once per Board vacancy. The nominee receiving the largest number of votes shall be elected. Cumulative voting is not permitted.
  - d. To help maintain continuity of operations, officers are elected to the Board in three distinct cycles as outlined below with Cycle 1 starting with the 2014 elections.
    - i. Cycle 1 – Vice President, Treasurer (years 2014, 2017, 2020, etc.)
    - ii. Cycle 2 – President (years 2015, 2018, 2021, etc.)
    - iii. Cycle 3 – Finance Officer, Secretary (years 2016, 2019, 2022, etc.)
4. Appointment of Directors
- a. Club Directors will be nominated by the President and approved by the Board by majority vote of the Board for a three-year term. If for any reason a directorship shall become vacant, the Board may fill the position with a new Director for the remainder of that term.
  - b. To help maintain continuity of operations, director terms expire in three distinct cycles as outlined below with Cycle 1 starting with the 2014 Board term.
    - i. Cycle 1 – Grounds, Web/Communications (years 2014, 2017, 2020, etc.)
    - ii. Cycle 2 – Membership, Tennis, Operations (years 2015, 2018, 2021, etc.)
    - iii. Cycle 3 – Aquatics, Social (years 2016, 2019, 2022)
5. Resignation and Removal of Officers and Directors
- a. Any officer may be removed from the Board, with or without cause, by majority vote of the members of SARC.
  - b. Any director may be removed from office, with or without cause, by a two-thirds vote of the entire Board.
  - c. Any officer or director may resign at any time by giving written notice to the Board, the President or the secretary.
  - d. Interim Officers can be nominated by the President and approved by majority vote of the remaining Officers. The interim officer will serve until the next meeting of the membership at which time the unexpired term will be filled via election by the membership.
6. Compensation
- a. By majority vote of the Board, the Board may reduce the annual membership fee to \$1 for the next club year for any Officer or Director upon completing a three-year term.
  - b. Directors may be reimbursed for actual expenses incurred on behalf of SARC.

## 7. Powers and Duties

### a. Board of Directors

- i. Powers. In addition to powers outlined in other sections of these bylaws and in the Club's Articles of Incorporation, the Board shall have the power to:
  - i. Exercise for the Club all powers, duties and authority vested in or delegated to this Club and not reserved to the members by other provisions of these Bylaws or by the Club's Articles of Incorporation;
  - ii. Employ one or more managers, independent contractors or other such employees as they deem necessary, and to prescribe their duties; and
  - iii. Appoint members to committees for the conduct of Club activities, subject to oversight by the Board.
  - iv. To make or authorize the purchase of services, materials for supplies and to contract for whatever may be reasonably required in the operation and maintenance of the Club, and to make such alterations and improvements in the property of the Club, and in the Club facilities where such action in their discretion is necessary, or expedient, except as regard to new activities or construction which would require the outlay of more than \$5,000.00. New activities and construction in excess of \$5,000.00 require the approval of the majority of the general membership present at the annual or a special Club meeting.
  - v. To annually approve a budget for the maintenance and operation of the Club and all of its activities. To exercise the power of the comptroller in making adjustments to or transfer of funds from one budget category or item to another, as the need shall arise, upon the recommendation of the Finance Committee and upon two-thirds affirmative vote of the Board present.
  - vi. The Board may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Club. Such authority may be general or confined to a specific instance. Unless so authorized by the Board or as otherwise provided for in these bylaws, no officer, agent, or employee shall have any power or authority to bind the Club by any contract or engagement, or to pledge its credit, or render it pecuniarily liable for any purpose or to any amount. When the execution of any contract or other instrument has been authorized by the Board without specification of the executing officer, the President, either alone or with the Secretary, may execute the same in the name of, and on behalf of, the Club, and any such officer may affix the corporate seal (if any) of the Club thereto.
  - vii. Voting Stock Owned by the Club. The Board may by resolution provide for the designation of the person who shall have full power and authority on

behalf of the Club to vote either in person or by proxy at any meeting of the security holders of any corporation or other entity in which this Club may hold voting stock or other securities, and may further provide that at any such meeting such person may possess and exercise all of the rights and powers incident to the ownership of such voting securities which, as the owner thereof, this Club might have possessed and exercised if present. The Board may revoke any such powers as granted at its pleasure.

- viii. The Board may from time-to-time appoint, as advisors, persons whose advice, assistance and support may be deemed helpful in determining policies and formulating programs for carrying out the Club's purposes. The Board is authorized to employ such persons, including an executive officer, attorneys, accountants, agents and assistants as in its opinion are needed for the administration of the Club and to pay reasonable compensation for services and expenses thereof.
- ii. Duties. It shall be the duty of the Board to:
  - i. Cause to be kept a record of its acts and decisions, to present a statement thereof to the members at the annual meeting, and to make such record reasonably available to a requesting member,
  - ii. Supervise all officers, managers, employees and independent contractors of the Club, except that supervision of Club employees and independent contractors may be delegated by the Board to a manager
- b. Officers
  - i. President. The President shall be the chief executive officer of the Club; shall preside at all meetings of the Board; shall be empowered to execute on behalf of the Club all Board-approved leases, mortgages, deeds, deeds of trust, notes and other written instruments; and shall perform such other duties as may be required by the Board or by specific provision of these bylaws.
  - ii. Vice President. The Vice President shall act in the place and stead of the President in the event of his or her absence, unavailability, inability or refusal to act; and shall perform such other duties as may be required by the Board or by specific provision of these bylaws. The Vice President will establish and head the Long Range Planning Committee as needed.
  - iii. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve required notice of meetings of the Board and of the members; keep appropriate records showing the members of the Club together with their addresses; and shall perform such other duties as may be required by the Board or by specific provision of these bylaws.

- iv. Treasurer. The Treasurer shall sign or countersign all such instruments as may be required as an officer; collect fees and dues of members and deposit funds as designated by the Board; disburse Club funds as authorized by the Board; shall keep, or cause to be kept, proper vouchers of all sums collected and disbursed; shall serve as a member of the finance committee; shall serve as a “check and balance” to the Finance Officer.
- v. Finance Officer. The Finance Officer is responsible for tracking the financial health of the Club; shall submit at each Board meeting complete information as to the financial condition of the Club, and to membership at the annual meeting; shall investigate and recommend to the Board alternatives concerning matters of a financial nature; shall act as the “check and balance” to the Treasurer; with the Treasurer and Finance Committee, develop the Club’s proposed annual budget. At no time and in no matter whatsoever shall the Finance Officer have the power or authority to issue any check or disburse any funds from the Club’s accounts.

#### ARTICLE VIII – Committees

1. The standing committees shall be: Finance, Membership, Tennis, Operations, Social, Aquatics, Grounds and Communications/Web Development.
2. Ad hoc committees, such as but not limited to, bylaws and long range planning, can be established by the President and approved by the Board for a finite period of time as needed.
3. Each committee shall be composed of as many members or Directors or both as the committee chairperson deems appropriate.
4. No committee shall have the right to obligate the Club in any way or in any sum without prior approval by the Finance Committee and the Board. The approved committee budget is implied consent to obligate the Club up to the committee’s approved budget limit.
5. All committees shall report on their activities to the Board whenever requested and are at all times under the supervision and control of the Board, having only such authority as is specifically defined herein and as may be delegated to them by the Board.
6. Committee Duties and Responsibilities
  - a. Finance Committee. The Chairperson of the Finance Committee shall be the Finance Officer. The committee shall be comprised of at least three other members, if possible, not current Board members. Experience in budget planning, financial and investment matters and auditing procedures is preferred. The Finance Committee will be responsible for reviewing and providing guidance for the organization's financial matters. Specifically, the committee assures internal controls, independent audit, and financial analysis for the organization. The Finance Committee reviews all financial statements and reports on financial activity to the full board. Regularly reviews the organization's revenues and expenditures, balance sheet, investments and other matters related to its continued solvency. The Finance Committee shall develop the annual budget and submit it to the full Board for approval. In addition, oversee the maintenance of organizational-wide assets, including prudent management of

organizational investments and ensure the preparation of an annual audit, tax form (990), and audited Financial Statements.

- b. Membership Committee. The Chairperson of the Membership Committee shall be the Membership Chairman. The Membership Committee shall be composed of not less than three (3) members, with the approval of the Board, shall formulate proper rules for receiving and passing on membership applications and for its own functioning as a committee. The Chairman shall keep or cause to be kept, an accurate history of all resignations of members and all membership forfeitures, suspensions and expulsions, together with accurate listings of all members' names, home and business addresses and telephone numbers, as well as the date when each was elected to membership. He/She shall notify, or cause to be notified, each applicant elected, of his election to membership, and upon completion of each new membership, he/she shall transmit or cause to be transmitted, to each new member a symbol of membership in such form as may be authorized and approved by the Board. He/She shall maintain the membership record book, shall issue all new membership packages and record all transactions involving new and renewal membership. He/She shall furnish a copy of the membership list to the registered agent.
- c. Tennis Committee. The Chairperson of the Tennis Committee shall be the Tennis Chairperson. The Tennis Committee shall be comprised of representative individuals of all levels of competitive tennis (tennis levels represented in the SARC community) as well as a representative for recreational and youth players. The purpose of this committee is to advise and assist the Tennis Chair in supporting the mission of the tennis program by enhancing communication among the SARC community, provide suggestions and encourage a positive SARC community.
- d. Operations Committee. The Chairperson of the Operations Committee is the Operations Chairperson. The Operations Committee is responsible for the general operations of the Club exclusive of the grounds itself (landscaping, , tennis court requirements etc). Operations of the Club could include licensing and compliance with city and county requirements, providing recommendations on building needs, building maintenance, equipment, technology, safety and other resources as they relate to operational functions. Contracts and agreements with trash removal, utility, telephone, cable and web connection needs. Assistance to the Pool Manager related to employment hiring, safety and other requirements related to the operations of the Club.
- e. Social Committee. The Chairperson of the Social Committee is the Social Chairperson. This committee is responsible for planning and execution of the social events for the Club.
- f. Aquatics Committee. The Chairperson of the Aquatics Committee will be the Aquatics Chairperson. This committee is responsible for planning and issues pertaining to Swim Team, Morning Adult Lap Swim, Youth Water Polo, and Swim Lessons and their respective representatives.
- g. Grounds Committee. The Chairperson of the Grounds Committee is the Grounds Chairperson. The Grounds Committee is responsible for the oversight of the maintenance of the Club grounds as related to landscaping, parking lot, soccer field, walkways, drainage, basketball and volleyball courts, playground, tennis court repairs,

outbuilding needs (tennis shed, ball machine shed, bulletin boards, tennis gazebo) and safety and upkeep of the Club environment.

- h. Web Development/Communications Committee. The Chairperson of the Web Development/Communications Committee is the Web Master. The committee is responsible for maintenance of the Club website, planning for future web-based and other communication routes to ensure timely and factual information dissemination to the Club members.

#### ARTICLE IX – Bylaws Amendments and Interpretation

1. These bylaws may be amended by a two-thirds vote of members present and voting at any meeting of the Club, provided that the proposed intent shall have been communicated (i.e. via mail, email, website, etc.) to each member at least ten (10) days prior to the meeting.
2. Any question as to the meaning or proper interpretation of any of the provisions of these bylaws shall be resolved by the Board and Board decision final.
3. The Board may modify these bylaws to fix typographical and grammatical errors as needed without a vote of the membership.
4. The original or copy of these bylaws, as amended or otherwise altered to date, certified by the Secretary, shall at all times be kept in the principal office of the Club for the transaction of business, and shall be open to inspection by the members, officers and directors at all reasonable times during office hours.

#### ARTICLE X – Disposition of Funds

1. The funds of the Club shall be deposited in national banks, state banks, trust companies or savings and loan associations operating in accordance with the laws of the State of North Carolina, and only in an institution where the deposits of which are insured by the Federal Deposit Insurance Corporation or invested in United States government funds.
2. All funds of the Club shall be deposited in such qualified depository, or depositories, as the Board may from time to time designate by resolution, and shall be so deposited within seventy-two (72) hours of their receipt provided, however, that the receipts in the aggregate of \$100.00 or less need not be deposited more often than once a week.
3. All disbursements of funds of the Club shall be made by checks signed by the Treasurer, Secretary, or the President, provided, however, that the Board may by resolution provide for the establishment and replenishment of a petty cash fund not exceeding the amount of \$2,500.00.
4. Upon the dissolution or winding up of the Club, or in the event it shall cease to engage in carrying out the purposes and goals set forth in these bylaws, all of the business, properties, assets and income of the Club remaining after payment, or provision for payment, of all debts and liabilities of this Club, shall be distributed to a nonprofit fund, association, or corporation which is organized and operated exclusively for tax exempt purposes which are reasonably related to the purposes and goals of this Corporation, as may be determined by the Board in its sole discretion, and which has established its tax exempt status under §501(c)(7) of the Internal Revenue Code of 1986, as amended.

5. No debt shall be incurred by the Club beyond the accounts payable incurred by it as a result of its ordinary operating expenses, and no evidence of indebtedness shall be issued in the name of the Club unless authorized by the Board. Specifically, without limitation, no loan shall be made to any officer or director or member of the Club. Any director or officer who assents to or participates in the making of any such loan shall be liable, in addition to the borrower, for the full amount of the loan until it is fully repaid.

#### Article XI – Other Financial Matters

1. Property of the Club. The title to all property of the Club, both real and personal, shall be vested in the Club.
2. Financial Statements and Reports. An independent auditor appointed or approved by the Board shall at such time as the Board determines prepare for the Club as a whole a consolidated financial statement, including a statement of combined capital assets and liabilities, a statement of revenues, expenses and distributions, a list of projects and/or organizations to or for which funds were used or distributed, and such other additional reports or information as may be ordered from time-to-time by the Board. The auditor shall also prepare such financial data as may be necessary for returns or reports required by state or federal government to be filed by the Club. The auditor's charges and expenses shall be proper expenses of administration.
3. Liability of Directors and Officers. No director or officer of the Club shall be personally liable to its creditors or for any indebtedness or liability and any and all creditors shall look only to the Club's assets for payment. Further, neither any officer, the Board nor any of its individual members shall be liable for acts, neglects or defaults of an employee, agent or representative selected with reasonable care, nor for anything the same may do or refrain from doing in good faith, including the following of done in good faith: errors in judgment, acts done or committed on advice of counsel, or any mistakes of fact or law.
4. Liability of Members. No member of the Club shall be personally liable to its creditors or for any indebtedness or liability and any and all creditors shall look only to the Club's assets for payment.
5. Property Interests Upon Termination of membership. Members have no interest in the property, assets or privileges of the Club. Cessation of membership shall operate as a release and assignment to the Club of all right, tide and interest of any member, but shall not affect any indebtedness of the Club to such member.

#### ARTICLE XII – Indemnification

1. Right to Indemnification. Each person who was or is a party to or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, formal or informal (hereinafter referred to as a “proceeding”), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Club or, while serving as a director or officer of the Club, is or was serving at the request of the Club as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation,

partnership, joint venture, trust, or other enterprise, whether for profit or not, including service with respect to employee benefit plans, whether the basis of the proceeding is alleged action in an official capacity as a director, officer, employee, or agent or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Club to the fullest extent authorized by state law, as it exists or may be amended (but, in the case of any such amendment, only to the extent that the amendment permits the corporation to provide broader indemnification rights than state law permitted the Club to provide before the amendment), against all expenses, liability, and loss (including attorney fees, judgments, fines, ERISA excise taxes, or penalties and amounts to be paid in settlement) reasonably incurred by the person in connection therewith, and the indemnification shall continue for a person who has ceased to be a director or officer and shall inure to the benefit of his or her heirs, executors, and administrators; provided, however, that except as provided in the next section with respect to proceedings seeking to enforce rights to indemnification, the Club shall indemnify any such person seeking indemnification in connection with a proceeding, or part thereof, initiated by the person only if the proceeding, or part thereof, was authorized by the board of directors of the Club. To the extent authorized by state law, the Club may, but shall not be required to, pay expenses incurred in defending a proceeding in advance of its final disposition. The right to indemnification conferred in this article shall be a contract right.

2. Non-Exclusivity of Rights. The right to indemnification conferred in this article shall not be exclusive of any other right that any person may have or acquire under any statute, provision of the articles of incorporation, bylaws, agreement, vote of members or disinterested directors, or otherwise.
3. Indemnification of Employees and Agents of the Club. The Club may, to the extent authorized from time-to-time by the board of directors, grant rights to indemnification and to payment by the Club, for expenses incurred in defending any proceeding before its final disposition, to any employee or agent of the Club to the fullest extent of the provisions of this article with respect to the indemnification and advancement of expenses of directors and officers of the Club.
4. Insurance. The Club may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Club, or is or was serving at the request of the Club as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Club would have power to indemnify the person against the liability under these bylaws or the laws of the state of North Carolina.
5. Changes in North Carolina Law. If there is any change of the North Carolina statutory provisions applicable to the Club relating to the subject matter of this Article, then the indemnification to which any person shall be entitled under this Article shall be determined by the changed provisions, but only to the extent that the change permits the Club to provide broader indemnification rights than the provisions permitted the Club to provide before the change. Subject to the next numbered subsection, the Board is authorized to amend these bylaws to conform to any such changed statutory provisions.

6. Amendment or Repeal of Article. No amendment or repeal of this Article shall apply to or have any effect on any director, officer, employee, or agent of the Club for or with respect to any acts or omissions of the director, officer, employee, or agent occurring before the amendment or repeal.
7. Impact of Tax Exempt Status. The rights to indemnification set forth in this Article are expressly conditioned upon such rights not violating the Club's status as a tax exempt organization described in §501(c)(7) of the Internal Revenue Code of 1986, as amended.

#### Article XIII—Prohibited Activities

1. Actions Jeopardizing Tax Status. The Club shall not carry on any activities not permitted to be carried on by an organization exempt from federal income taxes under §501(c)(7) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue law.
2. Lobbying and Political Activities. The Club may not devote a substantial part of its activities for lobbying purposes (including the publishing or distribution of statements) or otherwise attempting to influence legislation. However, the Club may participate or intervene in (including the publishing or distribution of statements) any political or judicial campaign on behalf of any candidate for public office only to an insubstantial degree.
3. Private Inurement. No part of the net income or net assets of the Club shall inure to the benefit of, or be distributable to, its directors, officers, or members. However, the Club is authorized to pay reasonable compensation to employees for services actually rendered and to make payments and distributions in furtherance of its tax exempt purposes.
4. Conflicts of Interest. A conflict of interest occurs when a person under a duty to promote the interests of the Corporation (a “fiduciary”) is in a position to promote a competing interest instead. Fiduciaries include all Club employees, directors or officers, and members of any Club committee. Undisclosed or unresolved conflicts of interest are a breach of the duty to act in the best interests of the Club and work to the detriment of the Club.
5. Typical Conflict Situations. Conflicts of interest are likely to arise whenever:
  - a. A fiduciary has a personal interest in a vendor of goods or services to the Club; or
  - b. Club employees are loaned to other organizations, or the employees of another organization are loaned to this Club.
6. Discharging Conflicts of Interest. All conflicts of interest must be disclosed to the Board. After disclosure is made, the individual with a conflicting interest must not participate in judging the merits of that interest. That is, such individual must abstain from voting on, or recommending a course of action with respect to, the situation giving rise to the conflict. When these are done, the conflict of interest has been properly discharged.
7. Litigation. The Club shall not be a voluntary party in any litigation without the prior written approval of the Board.
8. Preventing Conflict Situations. The Club, through the Board, shall encourage all fiduciaries to prevent conflicts of interest where possible.
  - a. Fiduciaries should refuse to enter into self-dealing relationships with the Club as a vendor.
  - b. Fiduciaries should not accept anything but gifts of insubstantial value from vendors.

- c. The lending of employees to, or acceptance of loaned employees from, other organizations should be avoided. If done, however, a clearly drafted contract defining wages, responsibilities, indemnification and conditions of employment is required.

State of NORTH CAROLINA  
County of WAKE

I, \_\_\_\_\_, hereby certify that I am the duly elected Secretary of The Springdale Recreation Club, Inc.; that above are the bylaws of the named corporation, and that such have been duly enacted and are in full force and effect as of the date hereof.

Dated: \_\_\_\_\_  
Secretary

Sworn to and subscribed before me this the \_\_\_\_\_ day of \_\_\_\_\_, 2013

\_\_\_\_\_  
Notary Public

(SEAL)

My Commission Expires: \_\_\_\_\_