

BYLAWS
of the
SIDEBURN RUN RECREATION ASSOCIATION, INC.

Adopted July 16, 1971

Revisions: June 2, 1975; February 11, 1980; December 10, 1980; July 30, 1981; December 2, 1981; December 8, 1983; February 20, 1986; February 24, 1987; September 29, 1987; February 15, 1989; September 7, 1989; October 13, 1999; October 11, 2001; (With provisions adopted 9/19/2002); November 13, 2014

Wherever the context hereafter so requires, the use of the singular shall include the plural and the use of the masculine gender shall include the feminine gender.

ARTICLE I. MEMBERSHIP

SECTION 1. The number of active memberships shall total no more than 500.

SECTION 2. Memberships shall be limited to individuals and shall not be issued to partnerships, corporations, or any other institution or association.

SECTION 3. Applicants for membership must (1) submit a completed and signed application on a form approved by the Board of Directors; (2) await position on a waiting list, if a waiting list is in place, until a Certificate of Membership (also known as a "bond") becomes available for issuance; and (3) present a check to the Membership Chairman, payable to the Corporation, paying in full the then current membership fee and any dues or other fees that are applicable.

SECTION 4. If so required, a waiting list of applicants who have applied for membership shall be maintained by the Membership Committee. Memberships from this list will be offered in order by the date of the filing of a duly executed application, as required by Section 3, except that applicants purchasing or leasing a home owned by a resigning member shall assume the top position on the waiting list, and shall replace the membership of the resigning member, provided an application and any payments, as required by Section 3, are submitted to the Membership Chairman prior to or concurrent with the membership redemption.

SECTION 5. Bond Membership shall be evidenced by a Certificate of Membership (bond) which shall be issued by the Membership Chairman. The primary member's name, as designated on the application form, he/she being the head of the household, shall then be entered on the books of the Corporation. Additionally, the spouse/domestic partner may also be entered on the books of the Corporation. Members for each Bond Membership shall include, (i) a maximum of two adults (including the member) over the age of 21 years, (ii) and any unmarried children/grandchildren under 23 years of age that permanently reside with that member shall be entitled to use of the swimming pool and related facilities at no additional charge. Additional household members over 23 years of age and married persons under 23 years of age, permanently residing with the named Bond Member(s) shall be entitled to use of the swimming

pool and related facilities for an additional annual fee. Each Bond Membership in good standing shall be entitled to one vote at all regular or special meetings of the membership. *(revised 11/13/14)*

SECTION 6. In the event of a Member's death, all membership rights shall be automatically conferred on the surviving spouse/domestic partner, of a member of the household or other beneficiary named by the Member, upon notification to the Board, in writing, of the death of the Member. Any refund of the membership fee following the death of a member, when the legal ownership of such refund is in doubt, shall await the legal settlement of the estate. Pending this legal settlement, surviving members of the household may continue to use and enjoy the membership privileges provided all payments, as required by Section 9 of this Article, are made. *(revised 11/13/14)*

SECTION 7. The Certificate of Membership (bond) is not transferable. Redemptions shall be made in accordance with ARTICLE I, Section 11.

SECTION 8. Two-thirds of the Board of Directors may deny swimming privileges to one or more residents of a member's household for willful destruction or damage, or attempt thereof, to pool property. Also, for good cause, two-thirds of the Board of Directors may deny swimming privileges to residents of a member's household or cancel a membership in its entirety. However, prior to cancellation or loss of swimming privileges in excess of fourteen (14) days, the holder of the membership shall be notified in writing by an officer of the Corporation of the grounds for such action, and the member afforded the opportunity of a hearing before the Board. Two-thirds of the Board of Directors may sustain the action based on such hearing. It is further provided that any membership which is canceled or residents of such a household denied swimming privileges indefinitely, based on a hearing before the Board, may be reinstated upon appeal and approval of reinstatement by a majority of the members present at the next regular meeting of the membership. An appeal for a hearing before the membership must be requested in writing ten (10) days following the hearing before the Board. Until sustained or rejected by the membership of the Corporation the action of the Board shall stand. An appeal for a hearing before the membership of the Corporation is automatically waived by a member foregoing the opportunity of a hearing before the Board.

SECTION 9. No member will be allowed to use the pool facilities until the annual operation dues, assessments, and other charges are paid for the current season. Annual operation dues, assessments, and other charges duly approved by the Board of Directors shall be due and payable no later than April 30 of each year. Any member failing to pay these dues by April 30 of that year shall be automatically delinquent as of that date. The annual operation dues and a late fee shall become a lien against the membership fee. If said lien is not paid in its entirety by June 1, the membership may be canceled if there is any applicant on a waiting list to replace the membership, no action of the Board being necessary, and the Treasurer shall, subject to the provisions of ARTICLE I, Section 11, with or without surrender of the former member's Certificate of Membership (bond), return the membership fee, less any indebtedness. If there is no applicant on the waiting list to replace the membership, the lien (to include the late fee) will carry into each successive season until such time as the member redeems his certificate of

membership, subject to the provisions of ARTICLE I, Section 11, or the membership fee has been extinguished due to successive liens.

SECTION 10. Two-thirds of the Board of Directors may, upon written application by a member prior to May 1, inactivate (that is, "let up") a membership of one who, for good cause, will be unable to utilize the pool facilities for the coming season. At the discretion of the Board, such member may be assessed all operation dues and assessments, or, in the alternative, a let up fee. Where any membership is inactivated, the Board may, subject to the provisions of Section 14, grant a summer membership to the first name on the waiting list. The fee for such summer privileges shall be set by the Board of Directors, but shall not be less than that of a member's annual dues. Such summer membership holder shall retain top position on the waiting list for membership after the close of the season.

SECTION 11. The membership fee (also referred to as the purchase price of the bond) is the fee subscribed from an applicant for membership at the time the membership is accepted by the Membership Committee, plus any assessments which are assessed as an additional membership fee. The membership fee does not include the amount of the annual operating dues, other assessments (not already made a part of the membership fee), or other charges. A member may redeem his Certificate of Membership (bond) for the amount of his membership fee less any indebtedness, on written demand and on presenting his Certificate of Membership to the Membership Chairman. The right to redeem the Certificate must be approved by the Board of Directors. No Certificate of Membership (bond) shall be redeemed when to do so would cause the Corporation to become insolvent or when it would place the Corporation in a precarious financial position. If this provision is invoked the members desiring redemption will be placed on a waiting list until the Board of Directors determines that the Corporation is able to resume redemption. Redemption will then be made in the order in which names appear on the waiting list.

SECTION 12. When the Certificate of Membership (bond) is redeemed, a bond redemption fee shall be assessed and withheld by the Corporation. An additional fee will be assessed when the Certificate of Membership (bond) is redeemed within two years of issuance. The cost of the redemption fees shall be set annually by the Board of Directors. (*revised 11/13/14*)

SECTION 13. Upon dissolution of the Corporation, all Certificates of Membership (bonds) shall be redeemed after all just claims have been paid. On dissolution, the Certificates will be redeemable at an equitable amount not to exceed the membership fee. Any excess will be distributed as provided for in Articles of Incorporation.

SECTION 14. When the number of Bond members choosing to swim in any summer is less than 500, the Board of Directors may, at its discretion, authorize summer swimming privileges to: (1) those on the waiting list for membership, if such a waiting list is in use; or (2) those others who choose not to become Bond members. Summer swimming privileges will include, (i) a maximum of two adults (including the primary member as listed on the application form) over the age of 21 years, (ii) and any unmarried children/grandchildren under 23 years of age that permanently reside with the primary member to use of the swimming pool and related facilities at no additional charge ("Summer Members"). Additional household members over 23 years of

age and married persons under 23 years of age, permanently residing with that Member shall be entitled to use of the swimming pool and related facilities for an additional annual fee. Summer Members shall not have any vote, right of redemption or any other rights accorded Bond Members. The summer swimming privilege is valid for one summer and is subject to all rules and regulations governing the swimming pool. The cost of the privilege shall be set annually by the Board Directors. The summer swimming privilege is not transferable. *(revised 11/13/14)*

SECTION 15. Guests of members shall be permitted to use the swimming pool and facilities upon such conditions and under such regulations as may be prescribed by the Board of Directors in the Operating Rules and Regulations. The fees for guests will be established and published annually by the Board of Directors.

SECTION 16. A member may request in writing that the Board of Directors and Membership Committee authorize temporary swimming privileges to a family leasing the member's residence, provided that no member of the member's household will use the swimming privileges, until the temporary privileges are canceled. Temporary privileges may be canceled at the pleasure of the Board of Directors, when requested in writing by the member whose privilege is temporarily being used, or when the member ceases to be a member in good standing. Temporary privileges will entitle that individual and all members of the household permanently residing with him to use and enjoy the swimming and guest privileges of the member. The temporary privileges shall not give the temporary individual any vote, right of redemption, or any of the other rights accorded members.

ARTICLE II. MEETINGS

SECTION 1. A regular meeting of the members shall be held in February of each year at such time and place as the Board of Directors may designate. The Board of Directors may call a September meeting of members if a majority of Directors deem such a meeting necessary.

SECTION 2. A special meeting of the members may be called by the President or a quorum of the Board of Directors. Also, upon the written request of not fewer than twenty-five (25) members, a special meeting shall be called by the Secretary within thirty (30) days.

SECTION 3. At least ten (10) days before the date of the regular meeting or special meeting of the members, the Secretary shall cause written notice thereof to be mailed or delivered to each member at the address appearing for him on the records of the Corporation. The notice shall include an agenda and descriptions of the matters to be raised at the meeting.

SECTION 4. At any regular or special meeting, twenty-five (25) members in attendance in person or by written proxy shall constitute a quorum.

SECTION 5. At any regular or special meeting, each member who has not been suspended for cause shall be entitled to one vote. A member may vote in person, by proxy designated in writing, or by written ballot.

ARTICLE III. BOARD OF DIRECTORS

SECTION 1. A Director shall be a Bond Member in good standing of the Association. No Bond Member shall be elected to the Board of Directors for more than two successive terms. No other household member of a Director may serve concurrently nor serve immediately following a Director's two successive terms. *(revised 11/13/14)*

SECTION 2. Eleven Directors shall be elected to manage the affairs of the Corporation. The Directors shall serve for a term of two years with the terms of six and five directors expiring in December of alternate years. In the fall of the year, the membership shall hold an election by mail, authorized by the Board of Directors, for the Directors whose terms will expire in December. The Board may include a slate but will also include nominees received by mail, by e-mail, or by fax before September 30.

SECTION 3. If a Director fails to attend regular meetings of the Board of Directors for three consecutive months or otherwise fails to perform any of the duties devolving upon him as a Director, his office may be declared vacant by the Board of Directors and the vacancy filled. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of two-thirds of the remaining Directors. Directors appointed by the Board of Directors shall be subject to the approval of the members at the next regular meeting.

SECTION 4. Directors as such shall not receive any stated salaries for their services. Nothing herein shall be construed to preclude any Director from being reimbursed for out-of-pocket expenses incurred on behalf of the Association or from serving the Association in any other capacity and receiving compensation therefore. Directors may receive such discounts or credits afforded to general membership. *(revised 11/13/14)*

ARTICLE IV. MEETINGS OF DIRECTORS

SECTION 1. A regular meeting of the Board of Directors shall be held monthly. Meetings may also be held over the telephone or via e-mail to consider and vote to approve matters pertinent to the Association. The President, or in his absence, the Vice President, may call a special meeting of the Board of Directors at any time and shall do so upon the written request of any five Directors. The time and place of each meeting shall be fixed by the President. Notice of each meeting shall be given as the Board of Directors may from time to time prescribe.

SECTION 2. Six Directors shall constitute a quorum.

ARTICLE V. OFFICERS

SECTION 1. The officers of this Corporation shall be a President, Vice President, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board of Directors from among its

members. The officers shall hold office until the first meeting of the newly elected Board, unless sooner removed as provided herein.

SECTION 2. The President shall preside at the regular meetings of the members and at all meetings of the Board of Directors. He shall perform such other duties as customarily pertain to the office of the President, or as he may be directed to perform by resolution of the Board of Directors.

SECTION 3. The Vice President shall have and exercise all the powers of the President during the absence of the latter, or his inability to act. The Vice President shall supervise the filing of all reports required by law, including the annual report of the Corporation to be filed with the State Corporation Commission and the annual returns required to be filed with the Federal and State authorities.

SECTION 4. The Treasurer shall have the custody of all funds, securities, valuable papers, and other assets of the Corporation. He shall provide and maintain full and complete records of all assets and liabilities of the Corporation. He will prepare such tax reports and information as local, state, and Federal laws require. He shall keep a record of all dues, guest fees, and other charges or transactions in a manner that such records can establish a precise financial status of the Corporation.

SECTION 5. The Secretary shall prepare and maintain full minutes of all meetings of the members of the Board of Directors. He shall give proper notice of all meetings of the members. He shall conduct the correspondence of the Corporation and have custody over them. He shall have custody of the seal of the Corporation.

ARTICLE VI. STANDING AND SPECIAL COMMITTEES

SECTION 1. Standing committees shall be appointed by the President from among the Directors and members to manage the affairs of the Corporation. The Chairman of each standing committee shall be from among the Directors.

SECTION 2. Standing committees are comprised of up to three (3) members appointed by the President from current Board members and the general membership. Standing Committees include: (1) Activities Committee, (2) Administration Committee, (3) Budget and Planning Committee, (4) Membership Committee, (5) Operations and Maintenance Committee, and (6) Swim and Dive Committee.

SECTION 3. The Operations and Maintenance Committee will prepare and enforce rules for the use and operation of the swimming pool and other facilities. It has the authority to deny use of the facilities to any person, under the rules established for periods of time not to exceed one week at any one time for: (1) improper conduct at or in the vicinity of the recreation facilities; (2) bringing alcoholic beverages upon the property of the Corporation; (3) exposure to or contraction of disease or other conditions which are judged likely by the Operations and Maintenance Committee to endanger the health, safety, comfort, or enjoyment of those using the pool; (4)

violations of rules governing the use and operation of the swimming pool. The Operations and Maintenance Committee may delegate its authority to suspend members and guests to the Pool Manager and will report all serious or repeated infractions of the rules to the Board of Directors for appropriate action.

SECTION 4. Actions taken by the standing committees shall be valid until the next meeting of the Board of Directors, to either reject, modify, or adopt them as its own actions.

SECTION 5. The President shall be authorized to appoint such other special committees from the Directors and members as he shall deem necessary or expedient.

SECTION 6. The Chairman of each standing committee may appoint advisory sub-committees from among the members of the Corporation.

ARTICLE VII. PROPERTY AND FINANCES

SECTION 1. Except for the initial loan necessary for the construction of the pool and related facilities, the Corporation is not authorized to contract for any obligation in excess of its unobligated assets. Any obligation or expenditure of the Corporate assets requires the prior approval of the Board of Directors.

SECTION 2. Tangible personal property of the Corporation may be transferred only after two-thirds vote of the directors shall have approved such transfer.

SECTION 3. Real property of the Corporation may be encumbered, purchased, transferred or substantially improved only after a vote of approval of fifty-five (55) percent of the membership of the Corporation present or represented by proxy at a duly held meeting. Substantially improved means: improvements made during any one calendar year or the most recent nine month period costing in excess of fifteen thousand dollars (\$15,000). Any betterments which result from repairs or replacements with material or parts of superior quality shall not be considered an improvement. If relevant, the notice to the membership concerning the subjects of this section of these Bylaws shall include realistic minimum and maximum cost estimates, methods of funding, additional expenses per membership, justification for same, and other pertinent information.

SECTION 4. All funds of the Corporation shall be deposited in such qualified depository or depositories as the Board of Directors may from time to time by written resolution designate, and shall be so deposited within seventy-two (72) hours, excluding Sundays and holidays, of their receipt; provided however, that cash receipts in the aggregate of \$200.00 or less and checks payable to the Corporation need not be deposited more often than once a week and further, provided that all deposits shall be Federally insured.

SECTION 5. All disbursements of funds of the Corporation shall be made by checks signed by the President, Vice President, Treasurer, or Secretary. All checks shall be supported by invoices representing the amounts. Disbursements in excess of \$2,000 must be approved by two officers mentioned previously. This approval can be in the form of signature by the appropriate parties accompanying the supporting documentation in question. The Board may also, by resolution, provide for the establishment of petty cash funds for postage and for defraying other expenses of the Corporation not to exceed \$200.

SECTION 6. The Board of Directors will by means of an adequate fidelity bond insure the faithful performance of the President, Vice President, Treasurer, Membership Chairman, and Secretary. The Board of Directors shall create a separate account for 'Capital Renewal and Renovation' and each year, by November 1, deposit an amount of ten thousand dollars (\$10,000) into this account. No funds may be withdrawn or transferred from this account except by notice to the membership and a majority vote of the voting members.

SECTION 7. The funds of the Corporation, except as otherwise provided by these Bylaws, may be invested only in obligations of or insured by the United States Government. The funds may not be loaned to or invested with any officer, Director, or member of the Corporation.

SECTION 8 (a). An annual budget shall be prepared by the Budget and Planning Committee and presented to the general membership at the regular meeting in February of each year.

(b). The accounts of the Corporation shall be audited annually, as of December 31, by an independent certified public accountant. Report of this audit is to be presented at the regular February meeting of the membership. An unaudited financial report will be presented at the monthly meeting of the Board of Directors.

SECTION 9. The Board of Directors shall publish annually in its Operating Rules and Regulations the current schedule of membership fees, annual operating dues, and other fees applicable to the operation of the Association.

SECTION 10. The Board of Directors has authorized the establishment of a separate Swim and Dive Account for the convenience of the Swim and Dive Committee appointed under ARTICLE VI. This Account will be under the control of the Corporate Treasurer according to ARTICLE V, Section 4. The Swim and Dive Committee may annually designate a Swim and Dive Account Treasurer who, if approved by the Board of Directors, may be named as co-signatory on the account, and whose duties are to deposit and disburse all swim and dive funds under the supervision of the Corporate Treasurer. Disbursements from the Swim and Dive Account shall be in accordance with the annual Swim and Dive Committee Budget approved at a regular Board of Directors meeting.

SECTION 11. The Board of Directors has authorized the Swim and Dive Committee to charge a fixed fee to members who wish to participate in planned swim and dive activities. The fees collected are intended for the purpose of supporting these activities. The amount of this fee, and a Swim and Dive Committee Budget for specific swim and dive related expenses, shall be approved at a regular Board of Directors meeting. The Chairman of the Swim and Dive

Committee will report on the status of Swim and Dive Operating Account at each regular Board of Directors meeting. This report will include a statement of the fees collected and the funds disbursed. No disbursement shall exceed its budgeted line item by \$250 without the approval of the Board of Directors at a regular or special meeting.

SECTION 12. The Board of Directors has authorized the Swim and Dive Committee to raise additional funds on behalf of the Corporation, by conducting fundraising activities either on or off the property. All fundraising activities will be approved at a regular Board of Directors meeting. Funds raised and expenses paid for these special fundraising activities will be accounted for separately by the Chairman of the Swim and Dive Committee at each regular Board of Directors meeting. All disbursements of the net funds shall be in accordance with the budget.

SECTION 13. At a regular Board of Directors meeting, an amount may be established within the overall Corporation budget to supplement the Swim and Dive Committee activities. No such supplement shall be established until after the Swim and Dive Committee Budget has been submitted. Any supplement approved shall not be incurred and/or transferred to the swim and dive account until and unless the funds collected from Swim and Dive fees, and fundraising net funds are exhausted (subject to ARTICLE VII, Section 14 below).

SECTION 14. The Swim and Dive operating account will be maintained at a minimum balance necessary to minimize avoidable fees and account expenses, and at an appropriate level to accommodate the regular cash flow of the account. The Chairman of the Swim and Dive Committee will submit and update a Cash Flow Summary indicating the monthly deposits, disbursements and resulting cash balance at each regular Board of Directors meeting. The Corporate Treasurer shall deposit sufficient funds as necessary to maintain an appropriate level in the account or transfer excess funds, if necessary, to maximize short-term interest accrual. The amount deposited or transferred shall be determined by the Corporate Treasurer at a level that benefits the Corporation.

SECTION 15. If the circumstance arises that the Board member appointed by the President to Chair the Swim and Dive Committee resigns or is unable to serve, or if the Swim and Dive Committee fails to submit and maintain a budget within the budget cycle, the Swim and Dive Account (established in ARTICLE VII, Section 10) may, by majority vote of the Board, be returned to the Corporate Treasurer, and the Swim and Dive Account Treasurer may be removed as co-signatory on the account until such time as a new Swim and Dive Account Treasurer is recommended by the Swim and Dive Committee and approved by the Board. In the interim, all funds shall then be deposited and disbursed solely by the Corporate Treasurer or other Officer of the Corporation.

SECTION 16. The Swim and Dive Committee shall make no contract commitments for coaches' salaries that obligate the Corporation without the Board of Directors approval.

ARTICLE VIII. GENERAL PROVISIONS

SECTION 1. All powers, authority, duties, and functions of the Directors and officers of the Corporation shall be exercised in strict conformity with applicable provisions of the law and regulations and in conformity with the Articles of Incorporation and Bylaws of the Corporation.

SECTION 2. Any Director of the Corporation may be removed from office by the affirmative vote of two-thirds of the voting members present in person or by proxy in writing at a special meeting called for that purpose, but only after an opportunity has been given for that Director to be heard. Any officers of the Corporation may be removed from office by the affirmative vote of two-thirds of the Directors present at a regular or special meeting of the Board of Directors, but only after an opportunity has been given for him to be heard.

SECTION 3. When an officer is absent or otherwise unable to perform his duties, the Board of Directors may, by resolution, designate another member of the Board of Directors to act temporarily in his place.

SECTION 4. Copies of the organization papers of the Corporation, including the Articles of Incorporation, Bylaws and Amendments thereto, and the membership records shall be preserved in a place of safekeeping. Returns of elections and proceedings of all meetings of the Directors and members shall be recorded in the minute books. The minutes of all meetings shall be signed by the President and Secretary or by those acting in their places.

SECTION 5. The Board shall maintain in force sufficient insurance coverage to include, but not limited to, public liability and property damage insurance in an amount to be determined by the Board of Directors.

ARTICLE IX. AMENDMENTS TO BYLAWS

SECTION 1. The Board of Directors shall have the power to adopt Bylaws for the government of the Corporation and to amend, alter, and repeal the same from time to time, and such Bylaws shall be valid until rejected by the majority of the votes entitled to be cast by members present or represented by proxy at the next meeting of members at which a quorum is present. Members shall be notified of any changes to the Bylaws within thirty (30) days after adoption by the Board of Directors.

SECTION 2. Amendments to these Bylaws may also be made by the members as follows: Any meeting of the members of this Corporation may, by a majority vote, adopt a resolution setting forth the proposed amendment, finding that it is in the best interest of the Corporation and directing that it be submitted to a vote at the meeting of the members to be voted upon in not less than ninety (90) days after proposal. Amendments to these Bylaws, except as otherwise specified in these Bylaws, may be adopted by the affirmation vote of two-thirds of the voting members present in person, or by proxy, at a duly held meeting. It shall be the duty of the Secretary, under the direction of the Board of Directors, to publish proposed amendments to these Bylaws and such notice shall be given to each member within the time and in the manner provided in ARTICLE II, Section 3 of these Bylaws.

SECTION 3. The rules as contained in the current Robert Rules of Order, Revised, shall govern the Corporation in all cases in which they are applicable, and in which they are consistent with the Articles of Incorporation, Bylaws or other regulations of this Corporation.

SECTION 4. Except for the provisions of ARTICLE VII, any discrepancies or voids in these Bylaws shall be interpreted by the Board of Directors.