

SALT LAKE  
SWIMMING & TENNIS  
CLUB, INC.

Salt Lake City, Utah

**By-Laws**

Effective \_\_\_\_\_, 2010

## ARTICLE I.

### NAME-LOCATION-FISCAL YEAR

**Sec. 1-1. Name:** The name of the corporation is SALT LAKE SWIMMING & TENNIS CLUB, INC., hereinafter called the "Club".

**Sec. 1-2. Office and Principal Place of Business:** The office and principal place of business of the Club shall be located at 2471 South 1700 East, Salt Lake City, Utah, but nothing herein contained shall prevent the holding of meetings or the transaction of business at some other place in Salt Lake County, Utah.

**Sec. 1-3. Fiscal Year:** The fiscal year of the Club shall be from October 1 to September 30, or such other twelve month period as the Board of Directors may from time to time determine.

## ARTICLE II.

### BOARD OF DIRECTORS

**Sec. 2-1. Number and Term:** The Board of Directors, hereinafter called the "Board" or "Directors", shall consist of nine Equity Members (as defined in Sec. 9-5); three members to be elected annually for a term of three years, and to serve until their respective successors are chosen and qualified.

**Sec. 2-2. Vacancies:** Any vacancies in the Board shall be filled by appointment by the Board; any Director so appointed shall serve the unexpired term of his or her predecessor until his or her successor shall have been elected and qualified.

**Sec. 2-3. Limitation of Powers:** Any decision of the Board approving an expenditure of more than \$100,000 shall be prominently posted at the Club and on the Club's website for a period of ten days before it can become effective. If, before the expiration of the said ten day period, a petition objecting to the proposed expenditure as approved by the Board is signed by at least 25% of the Equity Members and is delivered to the Board, then the President shall immediately issue a call for a Special Membership Meeting. If at the Special Membership Meeting, a majority of the Equity Members present at said meeting do not approve the decision of the Board, then the decision of the membership with regard to the proposed expenditure shall be binding upon the Board.

**Sec. 2-4. Powers:** The ultimate responsibility and control for the Club, its affairs, properties and assets, is vested in the Board. The Board, as a group, shall:

- (1) establish all policy;
- (2) make major decisions affecting the Club and its property;

- (3) accept or reject any applications for membership;
- (4) fix and prescribe classifications of members;
- (5) determine and fix admission fees and dues;
- (6) levy assessments against the members and provide for the collection of same;
- (7) fine, reprimand, suspend or expel any member;
- (8) remove for cause any Director or Officer;
- (9) make, alter or amend the By-Laws, provided, however, that the Board shall not adopt, amend or repeal any By-Law which shall pertain to the qualifications, voting rights or property rights of members and shall not amend or repeal any By-Law which pertains to the termination or forfeiture of membership unless such By-Law is approved by the members in accordance with the requirements of Utah law;
- (10) exercise final fiscal responsibility for the Club; and
- (11) hire and fire Managerial Employees

**Sec. 2-5. Bids:** The Board shall not contract for or enter into any agreement arrangement, or understanding, written or oral, for any single expenditure in an amount to exceed \$10,000 without having first invited at least three (3) bids from builders, contractors, decorators, suppliers, or other parties whom the Board deems qualified and appropriate to perform such work or to furnish such materials.

**Sec. 2-6. The Directors, as individuals, shall not:**

- (1) give orders or instructions to management or employees;
- (2) publicly discuss Club business or the matters presented to the Board at its meetings;
- (3) incur any obligations, financial or otherwise, for or on behalf of the Club.

**Sec. 2-7. Quorum:** Five Directors shall form a quorum for the transaction of the business of the Club but a less number may adjourn from time to time without notice other than an announcement at the meeting, until a quorum shall attend.

**Sec. 2-8. Decisions:** Except as is in these By-Laws otherwise provided, every decision of a majority of the Directors present at a meeting of said Directors at which a quorum is present shall be a valid corporate act of the Club.

**Sec. 2-9. Nomination and Election:** The nine directors for the corporation shall each be elected by an annual vote of the membership to serve for a term of three years. Each candidate shall be an Equity Member in good standing nominated by the Board or by another Equity Member in good standing.

The list of all candidates arranged alphabetically shall be printed on the ballots prepared by the Club Manager. One ballot, together with a brief statement by each candidate, shall be enclosed with the Notice of the Annual Meeting and shall be mailed or delivered to each Equity Member at least ten days before the day of the Annual Meeting. A sample copy of the ballot shall be posted at the Club and on the Club's website, not less than five days prior to the Annual Meeting, and shall be kept posted until after the election is completed.

The President shall appoint three (3) judges of election from among the Equity Members of the Club.

Voting is to be conducted by mail or in person by depositing the ballot envelope in a ballot box placed at the front desk. The names of the members voting shall be verified, and the ballot envelopes delivered unopened to the election judges for counting. Any ballots received after the start of the Annual Meeting shall be null and void.

Upon closing the polls the judges of election shall count the votes and report to the President in writing the result of the election.

A ballot shall be void and of no effect if the member casting the vote has cast votes for more than the number of candidates to be chosen.

The candidates receiving the highest number of votes for the offices to be filled shall be declared, by the President, to be elected to such office and the report of the judges of election shall be filed with the records of the Annual Meeting.

In case of a tie vote between the candidates receiving the highest number of votes for the office of Director, or between two candidates receiving the next highest number of votes, they shall be declared elected; in case of a tie vote between two candidates receiving the third from the highest number of votes, a decision on the election of the third Director shall be made at the Annual Meeting by a runoff election between such candidates with each Equity Member present at the Annual Meeting being entitled to one vote.

No Equity Member shall be entitled to receive notice of, nor to vote, who has been suspended by action of the Board of Directors, including by reason of nonpayment of dues or other debts to the Club, or is otherwise not in good standing with the Club.

**Sec. 2-10. Taking Office:** Newly elected Directors shall take office at the first meeting of the Board held after the election.

**Sec. 2-11. Meetings of the Board:** Regular meetings of the Board shall be held monthly, the time and place to be fixed by Resolution of the Board.

Special meetings of the Board may be called by the President or in his or her absence, the Vice President, or by any two Directors.

Notice of regular meetings shall be given by the Secretary or his or her duly authorized representative, not less than two days prior to the meeting. Notice of the time and place of any special meetings shall be given each Director by the Secretary, or the officer or Director calling such meeting, in sufficient time to enable all Directors within Salt Lake County to attend.

Regular or special meetings of the Board may be held at any time without notice if all the Directors are present, or if those not present waive notice either before or after the meeting.

**Sec. 2-12. Order of business:** The order of business at each Board meeting shall be as follows:

- Roll Call;
- Approval of Minutes of Last Meeting;
- Reports of Officers;
- Reports of Committees;
- Unfinished Business;
- New Business.

**Sec. 2-13. Reports:** Within a reasonable time after the close of each fiscal year the Board shall transmit to each Equity Member a written report of the affairs of the Club.

**Sec. 2-14. Indemnification:** No Officer or Director shall be personally liable for any obligation of the Club or for any duties or obligation arising out of any acts or conduct of said Officer or Director performed for or on behalf of the Club. The Club, to the full extent permitted by the laws of the State of Utah, shall and does hereby indemnify and hold harmless each person and his or her heirs and administrators who shall serve as a Director or Officer of the Club from and against any and all claims, judgments and liabilities to which such persons shall become subject by reason of his or her having heretofore or hereafter been a Director or Officer of the Club, or by reason of any action alleged to have been heretofore or hereafter, taken or omitted to have been taken by him as such Director or Officer. The Club shall reimburse each such person for all legal

and other expenses reasonably incurred by him in connection with any such claim or liability. No such person shall be indemnified against or shall be reimbursed for, any expense incurred in connection with any claim or liability arising out of his or her own negligence or willful misconduct. Nothing herein contained shall, in any way, restrict the right of the Club to indemnify or reimburse such person in any proper case, even though not specifically herein provided for.

### **ARTICLE III.**

#### **OFFICERS**

**Sec. 3-1. Titles:** The Executive Officers of the Club shall be as a President, a Vice President, a Secretary and a Treasurer. At the option of the Board, the office of Secretary and Treasurer may be held by one Director.

**Sec. 3-2. Term of Office:** The Executive Officers shall be chosen annually by and from the Board and shall hold office for one year and until their successors have been chosen and qualified.

**Sec. 3-3. Elections:** Officers from among the Board of Directors to serve for the succeeding year shall be elected by the Board of Directors at the next regular meeting of the Board following the Annual Meeting. Election of each officer in turn shall be from any number of directors nominated and seconded in the meeting who indicate a desire or willingness to so act. At the request of any director, the election shall be conducted by secret written ballot. The old President holding over from the previous year shall act as chairman only to conduct the election of the new President. The newly elected President shall thereafter conduct the election of the remaining three officers.

**Sec. 3-4. Vacancies:** Any vacancies in said offices shall be filled by the Board; any Officer so appointed shall serve during the unexpired term of his or her predecessor.

#### **Sec. 3-5. Duties of Officers:**

(A) **President:** The President shall preside at all meetings of the members and Directors and shall have general supervisory authority over all committee chairmen and managerial employees of the Club in the performance of their duties. The President shall perform such duties as are imposed upon him or her by the Articles of Incorporation, the By-Laws of the Club and resolutions of the Board of Directors consistent therewith. The President shall make an annual report to the Board and to the Club membership. The President shall be an ex-officio member of all standing committees. The President shall have authority to countersign checks. The President shall perform all of the duties normally incident to the position of President in similar type clubs and organizations consistent with the provisions of the Articles of Incorporation and By-Laws.

(B) **Vice President:** The Vice President shall perform the duties of the President in his or her absence. If the office of President becomes vacant, the Vice-President shall become acting Presiding until a successor has been appointed by the Board of Directors.

(C) **Secretary:** The Secretary shall keep accurate minutes of the proceedings of the meeting of the membership, Board of Directors and Executive Committee, shall give notice of regular and special meetings of the Board and of the Executive Committee, and shall perform all other duties imposed upon him or her under the Articles of Incorporation and the By-Laws. The Secretary shall have authority to countersign checks, to attest the signatures of Club managerial employees and officers on any contract or other documents to which the Club may be a party. The Secretary shall perform such other duties as are normally incident to the office of Secretary in a club of like type to the extent that such duties are consistent with the Articles of Incorporation and By-Laws.

(D) **Treasurer:** The Treasurer shall cooperate with the Club Manager in establishing the supervising the books of account and he or she shall exercise surveillance over the fiscal affairs of the Club and shall make such recommendations to the Board as he or she deems appropriate with regard to all fiscal matters.

#### ARTICLE IV.

#### MANAGERIAL EMPLOYEES

**Sec. 4-1. Managerial Employees:** There shall be a Club Manager, a Facilities Superintendent, a Swimming Professional and a Tennis Professional, each of whom shall be appointed by and hold office at the pleasure of the Board. The Board may in its discretion create other subordinate managerial positions such as Assistant Manager.

#### **Sec. 4-2. Duties of Managerial Employees:**

(A) **Club Manager:** The Club Manager shall have the following duties and responsibilities:

- (1) General supervision and control of all physical facilities of the Club.
- (2) General supervision over the operations of the Club. The Club Manager shall be responsible that all such facilities are adequately staffed and operating and available for the use of members and their guests at times designated by the Board.
- (3) General supervision over all employees of the Club, including the Facilities Superintendent, Swimming Professional and Tennis Professional, subject to the limitations hereinafter provided.

- (4) The Club Manager shall hire and have the right to discharge all Club employees.
- (6) The Club Manager shall implement and enforce all policies and rules promulgated by the Board of Directors.
- (7) The Club Manager shall be accountable for all funds and moneys received by the Club, and shall see that they are placed in such depository as directed by the Board.
- (8) The Club Manager shall sign all checks drawn on the Club bank account, except that in his or her absence, an officer of the Club may sign in his or her stead.
- (9) The Club Manager shall make a monthly written report to the Board of Directors concerning the affairs of the Club and any current problems.
- (10) The Club Manager shall maintain and supervise books of account and records of all financial transactions in a form satisfactory to the Board of Directors using current technology and methods available to clubs and organizations of like size and nature to the full extent possible.
- (11) The Club Manager shall attend membership meetings, meetings of the Board of Directors and meetings of all standing committees except the membership committee, and furnish such information concerning Club affairs as may be requested by any officer or by the Board.
- (12) The Club Manager shall be responsible for the safeguarding of the Club's property at all times.
- (13) Subject to the approval of the Board, the Club Manager shall make arrangements for insurance adequate to protect the Club from liability claims and loss, damage or destruction of property.

**(B) Facilities Superintendent:** The Facilities Superintendent shall have the following duties and responsibilities:

- (1) The Facilities Superintendent shall have general supervision and control over the maintenance of the grounds, Club house, Swimming

Pool and Tennis Courts, and of all machinery and equipment used for that purpose.

- (2) The Facilities Superintendent shall attend all meetings of the Grounds Committee, offer advice on matters pertaining to the grounds, but shall not have a vote on the Committee.
- (3) The Facilities Superintendent shall perform such other duties as may from time to time be designated by the Board or the Club Manager.

**(C) Swimming Professional:** The Swimming Professional shall:

- (1) Assist in promoting and supervising Club programs and competitions.
- (2) Advise and consult with the Facilities Superintendent concerning any changes or modifications to the care and maintenance of the Swimming Pool.
- (3) Supervise and be responsible for repair and maintenance of the Club's swimming equipment.
- (4) Perform such other duties as may from time to time be directed by the Board or the Club Manager.
- (5) Attend all meetings of the Swimming Committee, but shall not have voting rights.

**(D) Tennis Professional:** The Tennis Professional shall:

- (1) Assist in promoting and supervising Club Tennis programs and tournaments.
- (2) Advise and consult with the Facilities Superintendent concerning any changes or modifications to the care and maintenance of the Tennis Courts and the Tennis House.
- (3) Supervise and be responsible for repair and maintenance of the Club's tennis equipment.
- (4) Perform such other duties as may from time to time be directed by the Board or the Club Manager.

- (5) Attend all meetings of the Tennis Committee, but shall not have voting rights.

## **ARTICLE V.**

### **COMMITTEES**

**Sec. 5-1. Standing Committees:** The Club shall have the following standing committees:

- (1) The Executive Committee which shall consist of not less than the President of the Club who shall be ex-officio Chairman of the Committee, the Vice President of the Club, the Secretary of the Club, and the Treasurer of the Club. The Chairman may appoint one or more additional directors to the Executive Committee with approval of the Board.
- (2) The Swimming Committee which shall consist of one Director, appointed by the President, who shall serve as Chairman, and not less than two Equity Members of the Club who shall be appointed by the Chairman with the approval of the Board.
- (3) The Tennis Committee which shall consist of one Director, appointed by the President, who shall serve as Chairman, and not less than two Equity Members of the Club who shall be appointed by the Chairman with the approval of the Board.
- (4) The Facilities Committee which shall consist of one Director appointed by the President, who shall serve as Chairman, and not less than two Equity Members who shall be appointed by the Chairman with the approval of the Board.
- (5) The Finance Committee which shall consist of one Director, appointed by the President with the approval of the Board, who shall serve as Chairman, and not less than two Equity Members who shall be appointed by the Chairman with the approval of the Board.

Any previously established standing committees, not herein specifically provided for, are hereby abolished.

**Sec. 5-2. Terms of Office:** Committee members shall serve for a term of one year and until their successors are appointed and qualified. In the event of any vacancy on any committees, such vacancies shall be filled by the same appointing authority as provided in Section 5-1.

**Sec. 5-3. Executive Committee:** The Executive Committee shall have and exercise the powers of the Board of Directors in the following circumstances:

(A) Whenever an emergency situation shall arise requiring immediate action and there is insufficient time to convene a special meeting of the Board, and

(B) Under such other circumstances as the Board of Directors may provide by resolution.

Three members of the Executive Committee shall constitute a quorum. Minutes of all meetings of the Executive Committee shall be kept and read at the next meeting of the Board of Directors.

The Executive Committee shall not have and shall not exercise any power reserved exclusively to the Board of Directors by the laws of the State of Utah.

**Sec. 5-4. Facilities Committee:** The Facilities Committee shall maintain constant surveillance over all of the physical facilities of the Club, and shall make recommendations to the Board of Directors and Club Manager for necessary maintenance, repairs, improvements, and capital improvements, and shall recommend priorities for all such repairs, maintenance and capital improvements.

**Sec. 5-5. Swimming Committee:** The Swimming Committee shall maintain constant surveillance over the Swimming Professional and all Club swimming programs and competitions and shall make recommendations to the Board of Directors and Club Manager for necessary improvements. The Swimming Committee may also recommend and promulgate rules governing conduct of members and their guests at the Swimming Pool. These rules, when approved by the Board of Directors, shall have the force of By-Laws. They shall be conspicuously posted at the Club and circulated among the membership as provided by the Directors.

**Sec. 5-6. Tennis Committee:** The Tennis Committee shall maintain constant surveillance over the Tennis Professional all Club Tennis programs and tournaments and shall make recommendations to the Board of Directors and Club Manager for necessary improvements. The Tennis Committee may also recommend and promulgate rules governing conduct of members and their guests on the Tennis Courts. These rules, when approved by the Board of Directors, shall have the force of By-Laws. They shall be conspicuously posted at the Club and circulated among the membership as provided by the Directors.

**Sec. 5-7. Finance Committee:** The Finance Committee shall prepare an annual budget to be submitted to the Board no later than the last regular meeting of each fiscal year, shall study the fiscal needs and problems of the Club, and shall make recommendations to the Board and Club Manager as to all fiscal matters, including, but not limited to, dues structure, transfer fees, locker fees, charges for club services, etc.

**Sec. 5-8. Special Committees:** Special committees may be appointed by the President or by the Board from time to time as in their judgment shall be necessary to serve the interests of the Club or to deal with any existing problems.

## **ARTICLE VI.**

### **CLUB RULES**

**Sec. 6-1. Publication:** Copies of all Club Rules shall be posted at the Club and on the Club's website and the Club Manager shall make available copies thereof, together with copies of these By-Laws, and all future amendments thereto, to all members of the Club.

**Sec. 6-2. Enforcement and Penalties:** The Club Manager, the Swimming Professional and the Tennis Professional shall be responsible for the observance, by the members, of those Club Rules and the provisions of the By-Laws which pertain to their respective areas of responsibility. The Board shall have authority to take such disciplinary action as it deems necessary or proper for any violations of the Club Rules or the provisions of the By-Laws, in accordance with the provisions of Article XV.

## **ARTICLE VII.**

### **MEMBERS**

**Sec. 7-1. Eligibility:** Any person twenty-one years of age or over, of good moral character, is, subject to the provisions of these By-Laws and rules of the Club, eligible to become a member of the Club.

**Sec. 7-2. Application for Membership:** Any eligible person seeking to become a member, except as hereinafter otherwise provided, shall present or cause to be presented to the Board a fully completed application on the form approved by the Board signed by the applicant.

**Sec. 7-3. Action on Application:** Each membership application shall be reviewed and approved or denied by the Board at its next regularly scheduled meeting; provided, however, the Board may by Resolution delegate to the Club Manager authority to review and approve or deny membership applications.

**Sec. 7-4. Voting on Application for Membership:** All balloting by the Board on applications for membership shall be by secret ballot and the names of members objecting or Directors casting adverse ballots shall under no circumstances be disclosed.

**Sec. 7-5. Payment of Fees or Dues:** By accepting membership in the Club, a member creates a binding contractual obligation and is conclusively presumed to have unconditionally

assented to the Articles, By-Laws and rules of the Club as then in force or thereafter duly promulgated.

**Sec. 7-6. Fees and Dues:** All fees and dues payable for or because of membership in the Club shall be fixed from time to time by the Board.

**Sec. 7-7. Newly Elected Members:** Newly elected Equity Members shall be entitled to the privileges and facilities of the Club from and after the date of the record transfer to them of a Certificate of Membership and dues shall be payable from and after that date. Other newly elected members of the Club shall be entitled to the privileges and facilities of the Club appropriate to their classification immediately after their election and dues shall be due and payable from and after that date.

**Sec. 7-8. Directors and Officers Eligibility:** Only Equity Members of the Club are eligible to be elected to the Board or to hold Executive Office in the Club.

## ARTICLE VIII.

### MEMBERSHIP MEETINGS

**Sec. 8-1. Voting:** Voting rights are limited to Equity Members in good standing.

**Sec. 8-2. Annual Membership Meeting:** The annual membership meeting of the Club shall be held at the Club on a date to be set by the Board of Directors.

**Sec. 8-3. Special Membership Meetings:** Special membership meetings may be called at any time by Board action and must be called by the President at the written request of twenty-five or more Equity Members of the Club. Such meetings shall be held within thirty days after being called by Board action or after receipt of the membership request by the President.

**Sec. 8-4. Agenda, Special Membership Meetings:** Any special membership meetings shall include in the notice to the members the specific purpose for the meeting and the matters to be considered. Special meetings shall be limited to those matters specified and no action can be taken on any matter not included in such notice.

**Sec. 8-5. Notice of Membership Meetings:** Notice of every annual meeting and every special meeting of the Club members setting forth the time and place of such meeting shall be mailed to each Equity Member of the club at least seven (7) days immediately prior to the date on which the meeting is to be held.

**Sec. 8-6. Quorum for Membership Meetings:** Twenty-five Equity Members of the Club shall constitute a quorum at all membership meetings. Less than a quorum may adjourn a membership meeting until such time as a quorum is obtained.

## ARTICLE IX.

### CLASSIFICATION OF MEMBERS

**Sec. 9-1. Classes of Membership:** Club membership shall be classified as follows:

- (1) Equity Members
- (2) Summer Members
- (3) Junior Members
- (4) Adult/Single Members

**Sec. 9-2. Equity Members:** Equity Members in good standing shall be entitled to full use of all Club facilities and to all privileges of the Club.

(A) Spouses of Equity Members and children and wards of such members under the age of 25 and living in the same household as the member, shall be permitted the use of the Club.

(B) The Equity Member shall be financially responsible to the Club for all charges incurred by any members of his or her family under the provisions of this section.

(C) At the request of any Equity Member, the Club Manager shall issue to any children of said member, within the terms herein provided, a family membership card. Such family membership cards must be presented by the holder thereof at any time upon request of any employee of the Club.

(D) Grandchildren of Equity Members may have the privileges of the swimming pool at the request of said members and upon such terms and upon payment of such seasonal or other fee as may from time to time be set by the Board of Directors.

Equity Members shall hold an equity interest in the Club's property. Such memberships are transferable as herein provided. Only Equity Members in good standing shall have the right to vote at any Club meeting or election. All other memberships are non-equity and non-transferable and shall automatically terminate upon the death or resignation of the member.

**Sec. 9-3. Summer Members:** Summer Members in good standing shall have all of the rights and privileges of Club membership from Memorial Day through Labor Day. Summer Members shall not have the right to vote at membership meetings and shall not hold an equity interest in the Club's property.

**Sec. 9-4. Junior Members:** Equity Members' children under 35 years of age are eligible to become Junior Members. They shall be elected upon application in the same manner as Equity Members are elected. Junior Members shall be entitled to the privileges of the Club and all Club facilities. A Junior Membership shall terminate automatically on the member's thirty-fifth birthday or on the termination of his or her parent's Equity Membership. A Junior Member's membership shall be suspended during any suspension of the parent's Equity Membership. A Junior Member applying for Equity Membership must make appropriate application in accordance with Sec. 7-2.

**Sec. 9-5. Adult/Single Members:** An Adult/Single Member is defined as the owner of an Equity Membership, which member is single, divorced, a widow or widower. Each Adult/Single Member shall have the right to designate a person as such member's Designee on an annual basis. Such designee shall be entitled to the same club privileges as the spouse of a married member.

**Sec. 9-6. No Other Classifications:** All other classifications of membership heretofore existing are hereby abolished. Any person holding a membership of a class hereby or heretofore abolished shall be entitled to continue to hold said membership with the same rights and privileges as heretofore until such membership shall be terminated by death or resignation. However, no new memberships of the same class shall be issued.

## ARTICLE X.

### FEES AND DUES

**Sec. 10-1. Membership Fees:** Membership fees shall be provided by resolution of the Board of Directors.

Equity Members' transfer fee:

30% of the selling price  
but not less than.....\$300.00

**Sec. 10-2. Use of Fees:** All moneys received by the Club as admission fees and transfer fees shall be deposited in the Club bank account and may be used for any Club purposes, the same as any other funds or revenues of the Club.

**Sec. 10-3. Monthly Dues:** Monthly dues are provided by resolution of the Board of Directors.

**Sec. 10-4. Member's Responsibility for Debts:** Each member shall be responsible to the Club for any debts incurred by members of his or her family to the Club, or by Junior Members sponsored by him or her, or by any guests introduced to the Club by him or her, and for any and all damages done by any of them.

**Sec. 10-5. Dues During Listing for Sale:** Whenever a membership shall be listed for sale, as elsewhere herein provided, the owner thereof shall continue to pay the established dues until such time as said membership is sold.

**Sec. 10-6. Surrender or Forfeiture:** Any member who voluntarily surrenders or forfeits his or her membership to the Club shall thereby be relieved of any obligation for any dues or assessments from and after the date of forfeiture, but shall remain liable for any unpaid dues or other indebtedness owing the Club prior to the date of forfeiture.

**Sec. 10-7. Loss, Injury or Damage:** The Club shall have no liability to any member for loss of or injury or damage to any personal property, including clothing or other personal property, and shall have no responsibility or liability for personal injury to any member arising out of use by any member of any of the Club facilities or exercise of any of the privileges of the Club.

## ARTICLE XI.

### MEMBERSHIP CERTIFICATES

**Sec. 11-1. Form:** Certificates of Membership shall be in a form approved by the Board and shall bear the signature of the President and Secretary.

**Sec. 11-2. To Whom Issued:** Each Equity Membership of the Club shall be evidenced by a Certificate of Membership. No Certificate of Membership shall be issued to any person except a duly qualified Equity Member.

## ARTICLE XII.

### TRANSFER OF MEMBERSHIP

**Sec. 12-1. Sale of Membership:** Those desiring to sell Equity memberships shall deposit with the Club Manager the certificate of membership endorsed in blank, signed by the member (or his or her legally authorized representative with certified proof of authorization in form satisfactory to the Secretary), and a written offering price. The Club Manager shall post in the Club Manager's office the list of the memberships offered for sale and prices asked. These asking prices shall stand until changed by a new offer delivered to the Club Manager. Applicants approved by the Board shall be advised by the Club Manager of the asking price list. If memberships are offered for sale at the same price, the oldest listed for sale at any price shall be sold first.

**Sec. 12-2. Failure to Purchase a Membership:** Applicants for membership who have not purchased a membership within sixty (60) days from the date of their election by the Board, shall be stricken from the list of qualified applicants, unless during such period no membership has been available for purchase, in which case the applicant shall have thirty (30) days after a membership becomes available for purchase, before being stricken from the list. Any applicant so stricken must

thereafter be elected to membership by the Board in the regular manner before being entitled to purchase a membership.

In the event that an applicant fails to purchase a membership within two business days of the date upon which the membership is offered to the applicant, then the right to purchase the membership shall pass to the next approved applicant.

**Sec. 12-3. Sale of Membership Not to be Advertised:** A membership shall not be offered for sale by advertising of any kind, nor through sale by a third party, nor otherwise than as herein provided. Any member violating this provision shall be subject to fine, suspension or expulsion.

**Sec. 12-4. General:** No membership in the Club, other than that of an Equity member evidenced by a Certificate of Membership, may be sold, transferred or assigned.

**Sec. 12-5. Payment of Debts Prior to Transfer:** No Certificate of Membership may be transferred to any person (other than to the Club for cancellation) or deposited with the Secretary for sale, unless and until all debts including dues of the member shall have been paid.

**Sec. 12-6. Transfer to be Approved by the Board:** Notwithstanding anything to the contrary herein contained, no transfer of a Certificate of Membership shall be valid until the transferee shall have been elected to Membership in the usual manner, and the transfer approved by the Board.

**Sec. 12-7. Transfer to Member of Family:** Subject to the provisions of Sec. 12-5 and Sec. 12-6, and the various sections of Article IX, any Equity Member may transfer his or her Certificate of Membership to his or her spouse or child. Upon such transfer of membership, a new Certificate shall be issued to the transferee upon payment of a transfer fee as determined by the Board of Directors.

**Sec. 12-8. Transfer Upon Decease of Member:** Subject to Sec. 12-5 and 12-6 and the various sections of Article IX, a Certificate of Membership of a deceased Equity Member (all other member classifications automatically terminate) may be transferred by his or her estate or personal representative as follows:

(A) Equity Membership Certificate may be transferred to the spouse or child of any deceased Equity Member, without payment of a transfer fee.

(B) Or, it may be sold and transferred to someone else, upon the same terms and conditions as if sold or transferred during the life of said deceased member.

(C) The surviving spouse of such deceased Equity Member shall have full membership privileges for a period of six (6) months from the date of the deceased member's death, during

which time all dues shall be suspended. Thereafter, all dues shall be paid by the estate or personal representative, until the said certificate is transferred.

(D) Any determination by the Board as to the party entitled to said certificate, or the proceeds thereof and of the endorsement required by the Board shall be final, conclusive and binding on all parties interested in said certificate, or claiming any interest therein.

**Sec. 12-9: Transfer to Living Trust:** Any Equity Member may request that his or her Certificate of Membership be reissued in the name of a "Living Trust" established by such Equity Member. The Equity Member must be the Grantor as well as the primary beneficiary of the Trust during his or her lifetime. In such event, the Certificate of Membership shall be reissued in the name of the Living Trust without payment of a transfer fee. Upon reissuance, the Grantor and the Living Trust shall each be responsible for the payment of all fees and dues and shall be subject to all rules, regulations and restrictions as if the membership was held by the Grantor individually. All remaining provisions of Article XII ("Transfer of Membership") shall remain in full force and effect upon death of the Grantor, or the transfer of the beneficial interest in the membership to someone other than the Grantor.

### **ARTICLE XIII.**

#### **CHANGE OF MEMBERSHIP STATUS**

**Sec 13-1. Resignations:** Any member may resign at any time, but such resignation shall not be accepted until all indebtedness to the Club has been paid.

**Sec. 13-2. Termination of Membership:** Except as in these By-Laws specifically provided, memberships in the Club are not transferable, nor do they pass by descent or devise.

### **ARTICLE XIV.**

#### **DELINQUENT ACCOUNTS**

**Sec. 14-1. Action on Delinquent Accounts:**

(A) All indebtedness of members shall be due and payable on or before the thirtieth (30th) day of the month following that in which such indebtedness was incurred. On or before that fifty (5th) day of each month, the Club Manager shall send a statement to every member indebted to the Club. On the thirtieth (30th) day of each month, the Club Manager shall notify each member whose account for the preceding month has not been paid, and that unless the delinquency is paid, his or her membership will become subject to suspension or forfeiture pursuant to the By-Laws.

(B) If at the end of thirty (30) days from the monthly due date, such indebtedness remains unpaid, the privileges of the Club may be denied such delinquent member until such indebtedness be paid.

(C) If any member, other than an Equity Member, shall have been delinquent for a continuous period of sixty (60) days after the monthly due date, the Board after (5) days notice, may suspend or expel him or her.

(D) If any Equity Member shall have been delinquent for a continue period of ninety (90) days from the monthly due date, his or her membership may be subject to suspension or forfeiture, upon such notice as the Board may direct .

**Sec. 14-2. Reinstatement:** While any delinquent member is suspended and at any time before expulsion or forfeiture, such member may be reinstated by the Board upon payment at that time of his or her total indebtedness, which shall include the payment of dues during the suspension. The Board at its discretion may assess a penalty of ten (10) percent of such total indebtedness.

## **ARTICLE XV.**

### **DISCIPLINE**

**Sec. 15-1. Discipline for Cause:** The Board shall have authority to privately discipline, publicly reprimand, fine, suspend or expel any member for cause. Such cause may consist of the violation of any By-Law or Rule of the Club, or of conduct which, in the opinion of the Board is prejudicial to the Club's welfare, or to the good order and discipline therein upon the premises, or any improper usage of the Club or its property.

Public reprimand, suspension for a period of more than 30 days, or expulsion of any member for cause, shall not be made by the Board, until the member shall have had an opportunity to present his or her defense. One week's written notice specifying the time and place the Board will consider the charges, accompanied by a written specification thereof, shall be considered as affording such member sufficient opportunity to present his or her defense.

A member may be privately disciplined for cause upon the affirmative vote of a majority of the Directors present at a meeting; but public reprimand, or suspension, shall require the affirmative vote of seven of the nine Directors.

**Sec. 15-2. Disposition of Membership on Expulsion or Forfeiture for Delinquency:** In the case of the expulsion of a member for disciplinary reasons, or forfeiture of his or her membership for delinquency, as in these By-laws provided, ownership of the membership shall revert to the Club. In the event of such reversion the Club shall have the options (1) of selling said membership at the best price then obtainable, or (2) of holding said membership as treasury stock. If the membership is sold, the Club shall deduct from the amount of the purchase price the amount

of any obligation by the former member to the Club, including delinquent dues, charges incurred, interest, fines, penalties, and any and all other obligations, and including the transfer fee. The balance of the purchase price shall be paid to the former member. If the Club elects to retain the Membership as treasury stock, it shall be considered to have been sold at the price of the last sale of a Club membership, and after deducting from said amount of any obligation of the former member to the Club as above set forth, the excess of such amount shall be paid to the former member.

## **ARTICLE XVI.**

### **CONSTRUCTION OF BY-LAWS**

**Sec. 16-1.** Whenever the context may require, any pronoun used in the By-Laws shall include the corresponding masculine, feminine or neuter forms and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

## **ARTICLE XVII.**

### **REPEAL OF BY-LAWS**

**Sec. 17-1. Repeal of Former By-Laws:** All By-Laws heretofore adopted by the Board of Directors are hereby repealed and all resolutions of the Board of Directors heretofore adopted, to the extent that they may be inconsistent with any provision herein contained, are hereby repealed.