

BY-LAWS OF THE HOLLY SPRINGS SWIM AND TENNIS CLUB, INC.

MARIETTA, GA

REVISED 08/2008

ARTICLE I - NAME

This Corporation, chartered under the laws of Georgia under the name and style of Holly Springs Club, Inc., is formed as a community and recreation club, not contemplating financial gains or profits.

ARTICLE II - OBJECT

The special purpose of this Corporation is to own, maintain and operate a swimming pool, tennis courts and other recreational facilities for the use of its members, their families, and guests.

ARTICLE III - CERTIFICATE OF MEMBERSHIP

Section 1.

The Corporation shall have Certificates of Membership, which shall consist of an authorized issue not more than 250 Certificates. Said Certificates shall have the privileges and powers, and shall be issued with the restrictions, conditions and limitations as follows:

A. Each Certificate shall represent an equal proportionate share of the equity in the net assets of the Club upon liquidation according to the face value of the Certificate, but shall not be entitled to receive any dividend from the surplus earnings of the Club.

B. The Corporation shall have a lien upon each Certificate of Membership for any indebtedness owing to it by the owner and no transfer on the books of the Corporation will be made until such indebtedness is paid in full.

Section 2.

The Certificates of Membership of the Corporation shall be numbered and shall be entered in the books of the Corporation as they are issued. They shall exhibit the holder's name and shall be signed by the President or Vice-President and the Treasurer or the Secretary.

ARTICLE IV - BOARD OF DIRECTORS

Section 1. Control.

The management and property of the Corporation shall be under the control of its' Board of Directors as such power is expressly limited herein.

Section 2. Members.

The Board of Directors shall consist of eleven (11) members elected at the annual membership meeting held in January of each year. Six (6) Directors shall be elected on odd years, five (5) Directors shall be elected on even years as previous Director's terms expire. These terms shall be for two (2) years commencing October 1. All Directors shall serve without compensation. They shall hold office until their term expires or their successor is elected and assumes their duties. Each Director may cast one (1) vote in person or by proxy.

Section 3. Vacancy.

Any vacancy occurring on the Board may be filled by majority vote of the remaining members of the Board. Should the Board appoint, the appointee shall serve the duration of the term.

Section 4. Active Membership.

Any director who shall cease to hold a membership in the Corporation shall cease to be a Director.

Section 5. Quorum.

A minimum of six (6) of the Board of Directors shall constitute a quorum for the transaction of business. All business shall be conducted by a majority of those present, unless specified otherwise herein.

Section 6. Regular Meetings.

The Board shall meet on a regular basis as determined by the President or his designee. The Board shall establish the time and place of the meetings. A regular meeting of the Board of Directors shall be held immediately after the September meeting of the members. At this meeting, both the current Directors and the newly elected Directors will convene as one body for the purpose of evaluation and discussion of any subject relating to the future betterment of the Corporation. The election of officers for the next fiscal year, in accordance with Article V, shall be the first order of new business at the first meeting of the new Board of Directors. The Board meetings shall be open to those voting members who wish to attend. Visiting members may make comments and/or suggestions regarding any matter before the Board but do not have voting participation.

Section 7. Special Meetings.

Special meetings of the Board may be called at any time by the President or by not less than five (5) Directors. Notice of such special meetings stating the purpose thereof, shall be given all Directors no less than 72 hours prior to such meeting.

Section 8. Duties.

The Board of Directors shall transact all Corporate business, including but not limited to construction of facilities and preparation of rules thereof; approval of petitions for membership; selection of the depository for Corporation funds; the

provision for an audit of the corporate books and records as deemed necessary by the Board of Directors or as requested by 3 or more voting members and appointment of a nominating committee of two or more members, excluding all current Board members.

Section 9. Removal of Member.

Removal of a member of the Board of Directors shall be made by vote of eight (8) members of the Board or by two-thirds (2/3) majority of the members voting at any general membership meeting.

ARTICLE V OFFICERS

Section 1. Officers.

The officers of the Corporation shall consist of a President, Vice-President, Secretary and Treasurer. These officers shall be elected annually from members of the Board of Directors and solely by the Board. The elected officers shall take office at the October meeting. An officer may be removed from office in accordance with Article IV.

Section 2. Duties of the President.

The President shall preside at all meetings of the Corporation. He shall appoint, subject to confirmation by the Board of Directors, all standing committee chairmen and all special committee chairmen as may be directed. Standing committee chairmen will be as set in the By-Laws. The President shall present a written annual report of the Board of Directors to the membership at its September meeting.

Section 3. Duties of the Vice-President.

The Vice-President shall have and exercise all the power, authority and duties of the President during this absence or inability to act. He or she shall act as assistant to the President.

Section 4. Duties of the Secretary.

The Secretary shall keep the minutes of all meetings of the Board of Directors and of all general membership meetings and any of the meetings which the Secretary is requested by the President to attend. The Secretary shall make a record in the minutes of vote when a vote has taken place in a Board of Directors meeting. The Secretary shall post conspicuously at the pool and tennis courts, on a timely basis, the current minutes of the Board of Directors meetings. The Secretary shall ensure that a list of current members is maintained. The Secretary shall submit such reports to the Board of Directors as it may require. The Secretary shall maintain a current revised version of the Club By-Laws.

Section 5. Duties of the Treasurer.

The Treasurer shall receive and have custody of all funds and securities of the

Corporation; when necessary or proper, he shall endorse on behalf of the Corporation for collection all negotiable instruments and shall deposit the same to the credit of the Corporation in such bank or banks as the Board of Directors may designate. Whenever required by the Board of Directors, he or she shall render a statement of the Corporation's accounts. He or she shall keep a complete and diligent accounting of all Corporate transactions. He or she shall present a written financial report to the membership at its' January meeting. The report shall consist of a Balance Sheet and Operating Statement for the prior year. He or she shall serve as Chairman of the Finance Committee.

Section 6. Dispensing of Club Funds

All checks and other instruments in excess of \$250 shall be signed by any two (2) of the following: the President, the Secretary, the Treasurer, or the Vice-President. The treasurer is authorized to pay all amounts for expenses for improvements authorized by the Board. The treasurer is authorized to pay all

recurring expenses, such as, but not limited to, the mortgage, utilities, and wages to club employees.

ARTICLE VI MEMBERS

Section 1. Membership

Membership shall consist two classes, Voting Members and Annual Members. Voting Members shall have the right to vote on Club issues, Annual Members will not. Voting members as used here refers to holders of a Certificate of Membership as defined in Article III. In order to become a Voting Member they shall be recommended by any member in good standing and individually approved by two-thirds (2/3) majority of the board of Directors.

Section 2. Membership.

A. Voting Membership shall be limited to such residents and non-residents as pay the initial assessment required by the Board of Directors for membership. The amount of the initial assessment shall be fixed at two hundred and fifty dollars (\$250), herein called the face value of the Certificate. This amount can only be changed by approval of the majority of the Voting members.

B. Certificates shall be held in the name of one individual only. All family members residing in the same house as the Certificate holder shall be entitled to all of the rights and privileges of membership. Each voting membership is entitled to one vote.

C. Upon divorce, unless otherwise ordered by the Court, Voting Membership rights and privileges will apply to those family members residing (whether temporarily or not) with the registered owner of the membership certificate. To effect transfer, the certificate is to be surrendered and accompanied by notarized letter and a new certificate shall be issued to the party designated by the certified letter.

D. Upon the death of any holder of a membership certificate, his certificate shall be surrendered and a new certificate shall be issued to the beneficiary without cost, and such beneficiary shall thereafter be considered a member in the same manner as all other certificate holders subject to all of the rules and regulations of membership.

E. Deleted

F. Non-voting year around memberships may be sold annually. These memberships are referred to as "Annual Memberships". The cost of non-voting memberships shall be determined annually by the Board. These dues are due once annually on April 1. These non-voting memberships have the rights and privileges of the regular members for the use of the facilities, but have no voting rights. However, non-voting members shall be allowed to serve on the Board of Directors

Section 3. Application.

Application for Voting and Annual Membership shall be filed with the Membership Chairman on forms provided by the Corporation.

Section 4. Admission.

The Board of Directors shall vote upon the admission to the Corporation of each Voting Membership applicant recommended by the Membership Committee or other Board Member and shall confer membership only upon those applicants who shall be approved by two thirds of the members of the Board present.

Section 5. Transfer of Voting Membership.

Voting Memberships are transferable only with a 2/3 majority approval by the Board of Directors.

B. In the event of the dissolution of the Corporation in any manner or for any cause, and in no other event, upon effective date of the proceeds of the sale of the property of the Corporation after the payment of all its just debts and obligations, to the then value of the certificate owned by the membership the surplus remaining shall be paid and distributed among the Members of the Corporation on a proportionate basis. Each dollar on the face value of the certificate would equal one share of ownership. Any surplus is distributed by the owned shares divided by the total outstanding shares of the Corporation.

As an example, if there were outstanding, 30 Certificates with face values of \$500, 10 Certificates at \$400 and 50 Certificates with face values of \$250, then there would be a total of 31,500 outstanding shares of ownership. Based on this example the Certificates with face value of \$500 would receive 1.5873% of any surplus, the Certificates with face values of \$400 would receive 1.26984% of any surplus, and the Certificates with face values of \$250 would receive 0.79365% of any surplus.

Section 6. Number of Members.

The maximum number of family units having active Voting Membership in the Corporation shall be two hundred fifty (250).

Limits on the number of annual memberships shall be decided by the Board on an as needed basis.

Section 7. Suspension of Member.

A. Any member of any classification may, for cause and after having been given an opportunity for a hearing before the Board of Directors, upon not less than five (5) days written notice (which notice shall specify the charges against him), be suspended for a period not exceeding three (3) months by a two-thirds (2/3) vote of the members of the Board of Directors present at any meeting thereof. Cause of suspension, shall, in general, consist of violation of these By-Laws or of the rules and regulations of the Corporation, or of conduct detrimental to the interests of the Corporation.

B. The Board of Directors may delegate to the Chairman of the Pool, Tennis, Buildings, or Grounds Committee, or a responsible employee of the Corporation, the

power to suspend any or all club privileges for the violation of Corporation rules and regulations, or for acts and conduct detrimental to the best interest of the corporation and members thereof, without hearing, provided such suspension does not exceed seven (7) days. A written report of such suspension, containing reasons therefore, shall be submitted to the President within twenty-four (24) hours. A copy of such report shall be furnished to the suspended member. The President or the Chairman of the Pool, Tennis or Grounds Committee may void such suspension unless overruled by a 2/3 majority of the Board.

Section 8. Expulsion of Member.

Any member may be expelled and/or any member of his family may be denied use of the Corporation facilities for acts and conduct detrimental to the best interest of the corporation and members thereof. Any member may be removed from membership for conduct deemed detrimental to this Corporation, at any meeting or at any special meeting of the Board called for the purpose of an affirmative vote for such action by a simple majority, provided that such member shall have first been given an opportunity to produce his witnesses, if any, and to be heard at the meeting at which such vote is taken. Upon expulsion, the Voting Membership Certificate of said member shall be surrendered together with all rights and interests in this Corporation for face value. In lieu of permanent revocation of membership, the Board may authorize the suspension of membership for a given period of time (probation period) after which the Board may vote to reinstate said membership.

Section 9. Privileges.

A. All classifications of active members of the Club shall be afforded the use of the facilities of the Corporation subject to the rules and regulations which shall be posted conspicuously at all times in the Corporation facilities.

B. The Board of Directors shall by rule fix the terms and conditions upon which guests of members may use the facilities of the Corporation.

C. Any property of the Corporation damaged as a result of the fault or misconduct (as determined by the Board of Directors) by a member of any classification, or his guest, shall be promptly paid for by such member. No person shall take any article belonging to the Corporation.

D. The Corporation assumes no responsibility for personal property of members or guests which may be brought to or left on Corporation premises. Such members or guests have no claim against the Corporation for said personal property.

ARTICLE VII - COMMITTEES

Section 1. Standing Committees.

The Corporation shall have the following standing committees with duties as stated. The members of these Committees shall serve until their successors are appointed.

A. Building Committee. To the extent delegated by the Board of Directors, it shall exercise supervision of the buildings; shall attend to the improvement and maintenance of the buildings and operating equipment; shall prepare and recommend for approval to the Board of Directors all rules for the operation of recreational facilities, including house rules; and shall employ and supervise the persons responsible for enforcement of the rules of health and good conduct. A Board member shall serve as Chairman.

B. Grounds Committee. To the extent delegated by the Board of Directors, it shall exercise supervision of the grounds; shall attend to the improvement and maintenance of the recreational area and grounds; and shall employ and supervise the persons responsible for the maintenance of the grounds. A Board member shall serve as Chairman.

C. Social Committee. Shall be responsible for the organization of all scheduled

Corporation programs; shall coordinate any use of Corporation facilities by members of outside organizations. A Board member shall serve as Chairman.

D. Membership Committee. The Membership Committee, in accordance with Article VI, shall investigate and report to the Board of Directors upon the qualifications of applicants for membership. A Board member shall serve as Chairman.

E. Deleted.

F. Finance Committee. Shall prepare the annual budget for submission to an approval by the Board of Directors, and make recommendations with reference to financial matters of the Corporation. The Treasurer shall serve as Chairman.

G. Pool Committee. To the extent delegated by the Board of Directors it shall exercise supervision of the pool and bathhouse; shall attend to the maintenance of the pool and pool facilities; shall prepare and recommend for approval to the Board of Directors all rules for the operation of the pool; and shall employ and supervise the persons responsible for enforcement of pool rules. A Board member shall serve as Chairman.

H. Tennis Committee. To the extent delegated by the Board of Directors, it shall exercise supervision of the tennis courts; shall attend to the maintenance of the tennis courts; shall prepare and recommend for approval to the Board of Directors all rules for the operation of the tennis courts; and shall employ and supervise the persons responsible for enforcement of tennis court rules. A Board member shall serve as Chairman.

Section 2. Special Committees

Special Committees shall be appointed by the President subject to confirmation by the Board of Directors as may be directed.

ARTICLE VIII - FISCAL AFFAIRS

Section 1. Annual Budget.

A. A proposed annual operating budget setting forth anticipated revenue and proposed expenditures for the fiscal year shall be prepared by the Finance Committee and presented to the Board for approval not later than February 15 of each year.

B. A proposed annual capital budget setting forth anticipated revenue and proposed expenditures for the fiscal year shall be prepared by the Finance Committee and presented to the Board for approval not later than February 15 of each year.

C. A proposed annual budget, as approved by the Board of Directors, shall be distributed to the membership not later than March 15th of each year. The budget as approved by the Board of Directors shall be submitted to the membership at the first meeting of the new fiscal year.

D. The budget shall be reviewed periodically and updated as required.

E. The Corporate fiscal year end shall be February 28, and the cash method of accounting shall be utilized.

Section 2. Dues.

A. The amount of annual dues shall be established by the Board of Directors.

B. Dues for any year shall not exceed three-hundred and thirty (\$330.00) dollars for each Voting Membership.

C. Semi-annual dues are to be paid in full April 1 and October 1 of each year.

Notification of dues will be sent out prior to the due date.

D. A Voting Member is responsible for all dues.

E. At any regular or special meeting of the membership, the Board of Directors may recommend any assessment deemed necessary which shall require two thirds (2/3) vote of the voting members attending for approval, provided the membership has been notified of the nature of the assessment fifteen (15) days prior to the meeting.

Section 3. Refunds.

There shall be no refunds of dues or special assessments unless specifically authorized by the Board of Directors.

Section 4. Delinquency.

In case a member does not pay dues or other indebtedness within fifteen (15) days after due date, he is delinquent and shall be notified of such delinquency by the Treasurer. During the period of delinquency, all rights and privileges shall be suspended. If such default is not corrected within forty five (45) days from the due date the membership shall be suspended

Section 5. Liabilities of Members.

Members shall be responsible for the payment of all charges or liabilities that may be imposed or incurred by members of their family to whom the privileges of the Corporation shall be extended, and for all charges and liabilities incurred by guests introduced by them.

Section 6. Expenditures.

Any one expenditure in excess of two hundred fifty (250.00) dollars other than items in the approved budget shall be approved by the Board of Directors. (revised 2008)

Section 7. Depositors.

The funds of the Corporation shall be deposited only in National Banks, State Banks, or Trust Companies operating in accordance with the laws of the State of Georgia, and only in an institution where the deposits of which are insured by the FDIC.

Section 8. Contingency Funds.

All revenues collected as a result of allowances for depreciation in the annual operating budget shall be appropriated for unexpected major repairs and replacements to existing facilities. A separate asset account designated "Contingency Fund" shall be established to accumulate that portion of cash derived from the depreciation allowance which has remained unappropriated at the year end for major repairs and replacements.

ARTICLE IX - REGULAR MEETINGS

Section 1. Regular Meetings.

General membership meeting will be held in September for the purpose of election of new board members. Any other meetings shall be at the discretion of the Board of Directors.

Section 2. Special Meetings.

Special meetings of the Voting Members of this Corporation shall be had upon the call of the President as he shall deem necessary or upon the written consent of

twenty-five (25%) of the Voting Members of this Corporation or by direction of a majority of the Board of Directors.

Section 3. Notification.

Notice of such regular or special meetings shall be delivered or mailed to the address of such members as it appears on the books of the Corporation at least ten (10) days prior to such meeting. Notice of special meetings shall define nature of the business to be transacted. Notice may also be given via telephone call to the phone number on record.

Section 4. Quorum.

At any general membership meeting, the voting members of this Corporation present shall constitute a quorum. Unless otherwise required by the By-Laws of this Corporation, a simple majority of those voting members present shall be sufficient to adopt any motion or resolution.

Section 5. Voting.

Each membership in good standing will be entitled to one (1) vote for each Certificate of Membership held. (A membership in good standing is one who has paid all current dues and assessments.) The voting member of a family unit shall be determined during a roll call at the start of the meeting. Voting may be by secret ballot if the Board deems it necessary.

Section 6. Voting by Proxy.

Members may vote in person or by Proxy. If voting by Proxy, it must be on a form provided by the Corporation.

ARTICLE X - AMENDMENT OF THE BY-LAWS

Section 1. Proposals.

Proposals by the Voting Membership for amendment of these By-Laws must be sponsored by at least 25% of the voting members or 10 members (whichever is less).

Voting Memberships and shall be submitted in writing to the Secretary who shall then present such proposals at the next meeting of the Board of Directors. The proposals and the recommendations of the Board must then be placed upon the agenda of the next regular or special meeting of the membership, provided that such proposal is submitted to the Board of Directors at least three (3) weeks in advance of such already scheduled/proposed meeting. Approval by two thirds (2/3) of a quorum shall be required in order to accept any proposal.

Section 2. Interpretation.

When the meaning of any term, phrase, or provision of the By-Laws is in dispute, the Board of Directors shall consider the question in doubt and the interpretation adopted by the Board shall be binding on the members. (08/2008)

Section 3 Board Power of Changes

The Board will have the power to change these By-Laws as necessary for any club operation that does not directly affect initiation fees, semi-annual dues, or assessments, with a 2/3 vote by the Board and a notice is posted on Club property 10 days prior to the change. The change will take effect as long as there is not an objection by 10% of the General Membership

ARTICLE XI - GENERAL

Section 1. Operating Rules.

The Board of Directors shall have the power to approve changes, deletions or additions to the rules governing use of the corporate facilities provided that these changes, deletions or additions are compatible with the current general rules established herein.

Section 2. Rental of Corporate Facilities.

Rental regulations and rates shall be established by the Board of Directors.

Section 3. Guests.

To be considered a guest, one shall be invited and escorted by an adult member of the Corporation. A qualified member between the ages of 13 and eighteen will be allowed to accompany only one guest per visit, provided all guest fees are paid at each visit. All guest fees are to be paid by the member. (Updated 2008)

Section 4. Insurance.

The Corporation shall insure itself against accident or injury to any person from Corporation act and property damage.

Section 5. Parliamentary Authority.

Roberts Rules of Order, revised, shall govern this Corporation in all cases in which they are consistent with these By-Laws.

ARTICLE XI- NOMINATION & ELECTION

Section 1. Committee.

At the July Board meeting the President shall appoint a chairperson from the general membership, on the approval of the Board of Directors, to head the special committee of Nomination and Election. The Chairperson of the Nomination and Election Committee may then select a committee from the general membership. The Committee shall prepare a slate of candidates from the general membership for the January election.

Section 2. Candidates.

Prior to the September Board meeting, the Nomination and Election Committee shall serve notice to the general membership of the completed slate of candidates. The completed slate shall include the slate as proposed by the Nomination and Election Committee plus the nominations from the general membership. This completed slate shall be presented by the Nomination and Election Committee Chairperson to the Board of Directors prior to the September meeting.

Section 3. Proxy.

Prior to the September Board Meeting, the Board of Directors shall select from the candidates those individuals who will receive the majority vote of the Board when that proxy has been empowered to the Board.

Section 4. Notice.

The Nomination and Election Committee shall distribute to the general membership no later than September 15 a final election package. This election package shall include biographical sketches of the candidates; proxy forms, including one to an individual and one to the Board.

Section 5. Election.

It shall be the responsibility of the Nomination and Election Committee by the day of the election to have prepared the ballots. At the September meeting, the Committee shall control the distribution of the ballots, count the votes and

announce the election results before the close of the September meeting. Candidates receiving the highest number of votes will be duly elected to the Board of Directors.