

RULES AND REGULATIONS

ADOPTED: 5-21-82

AMENDED: 3-14-88

AMENDED: 11-24-91

AMENDED: 03-19-00

AMENDED: 05-12-07

AMENDED: 05-20-08

AMENDED: 02-05-09

SECTION 1. EXPLANATION OF RULES

These rules and regulations are for the benefit and protection of all members and guests of the Sardis Forest Swim Club, Inc. (hereinafter the "Club"). They have been established to assure safe and sanitary operation and use of the pool facilities and adjacent areas, to provide enjoyable recreation for all members and their guests. Failure to comply with any of these rules may be considered sufficient cause for suspension of pool privileges.

The Board of Directors is responsible for the development, amendment, and interpretation of rules and operating procedures.

The Pool Manager and his staff are delegated responsibility for safety, order, and cleanliness in and around the pool and adjacent grounds, through the daily enforcement of these rules and regulations. The responsibility of person who accompany children to the pool continues while the children are in the water. The lifeguards are employed for the safety and welfare of everyone, but are not expected to be babysitters. The Pool Manager shall have the authority to suspend Club privileges for a period not to exceed three (3) days. The Pool Manager will recommend to the Board of Directors suspension longer than three (3) days, for good and sufficient cause. Pool management also has the authority to contact the local police department whenever the situation warrants. Grievances and complaints should be referred to the Board of Directors.

PARENTS ARE REQUESTED TO REVIEW THESE RULES WITH THEIR CHILDREN, AND TO ENCOURAGE THEIR COOPERATION AND SUPPORT.

SECTION II. GENERAL RULES

- A. Members are responsible for all personal injury and property damage done by themselves, their families, and their guests. All injuries should be reported immediately to the Pool Manager or staff.
- B. All Club members, including children and guests shall use the facility at their own risks. Everyone is urged to prevent accidents.
- C. The Club is not responsible for loss of or damage to personal belongings, bicycles, or automobiles on Club property.
- D. Lifeguards on duty have been instructed not to engage in any unnecessary conversation with members or guests.
- E. No pets will be allowed on the Club premises.
- F. No alcoholic beverages will be served or permitted to be consumed on the premises without the express permission of the Board of Directors and/or Pool Manager.
- G. Bikes and other vehicles must be parked in prescribed areas.
- H. No glass containers (suntan lotion bottles, baby bottles, beverage containers, etc.) of any kind will be allowed on the premises at any time.
- I. Intoxicated persons are not permitted on the premises.
- J. No illegal drugs of any kind are allowed on the premises.
- K. No abusive or objectionable language will be permitted.
- L. The Pool Manager and staff have been instructed to check membership files to assure that unauthorized persons will not be permitted on the premises. A Club member must accompany guests at all times.
- M. It is the responsibility of each Club member to report violations of these regulations and rules to the Pool Manager and/or to the Board of Directors.
- N. Personal data on membership is updated annually. Falsifying this information can result in a one (1) week suspension of Club privileges for the entire family.

SECTION III. ADMISSION FOR MEMBERS

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A. A pool register shall be maintained. All members will sign in for each pool visit. All members must indicate the date and time of sign-in, the member's name, the number of persons visiting the pool and the status of each person in the member's party (*e.g.*, member or guest).

B. Members must present membership card for each visit to the pool.

C. Children who have not reached their tenth (10th) birthday will not be admitted within the pool area unless accompanied by a parent, guardian, or babysitter who is 13 years of age or older.

D. Babysitters must have written authorization from parents and will be allowed entrance on the family membership. This authorization must be shown at the pool register when signing in. Babysitters who use the swimming pool while babysitting will pay guest fee. Babysitters in street clothes who do not use the pool will not be charged a fee.

E. Admission will be refused to anyone with skin infections, boils, colds, coughs, inflamed eyes, or any condition that the pool management feels may be harmful to other swimmers.

F. Guest fees per adult or child will be set by the Board of Directors from year to year. Fees are the same for in-county and out-of-county guests. There may be special rates established from time to time for families or other groups. Arrangements for taking advantage of such family or group rates must be made with the Pool Manager in advance. Fees shall be posted in the entrance area.

G. All guests must be signed in by an adult (18 years old and older) pool member of that family or have written parental permission.

SECTION IV. SWIM RULES

A. Floatation devices must be approved by lifeguard on duty.

B. All members and their guests shall take a shower prior to entering the pool.

C. No one shall use the pool unless a Club lifeguard is on duty.

D. Running, pushing, wrestling, and other types of such activity are prohibited in and around the pool.

E. Swimming suits are required (no cutoffs, jeans, shorts, etc.)

F. The lifeguard and the Pool Manager have the authority to clear the pool area at any time.

G. Swimmers who use the deep end of the pool must be able to swim the width of the pool twice and tread water for 30 seconds. A lifeguard may, at any time, check a swimmer's ability to do the above. If a swimmer cannot pass this swim test, he/she will be forbidden to enter the deep end of the pool until completion of these swimming requirements has been demonstrated to a lifeguard. Violation of this decision will result in an immediate three (3) day suspension from the pool, with repeated violations resulting in suspension for the swim season.

SECTION V. ADULT SWIM

A 15-minute period may be reserved for adult swim every hour on the hour. All swimmers under the age of 18 will leave the pool when instructed by the lifeguards. On weekends the time for adult swim may be extended to 30 minutes once each afternoon.

SECTION VI. KIDDIE SECTION RULES

A. Children who are not toilet trained must wear both swim diapers and outer swimwear when in the pool.

B. Parents, guardians and/or babysitters who are responsible for a child must clean up any visible "accidents" by the child immediately.

C. Parents, guardians and/or babysitters are to be in the kiddie section of the pool with the small children for whom they are responsible.

D. No diving into the kiddie section.

SECTION VII. DIVING AREA RULES

A. Only one diver at a time allowed on the diving board.

B. No diving or jumping from the side of diving board.

C. No free swimming in the diving area, unless approved by the lifeguard on duty.

D. Before diving, all divers must check that no swimmer is in the diving area.

SECTION VIII. FOOD, BEVERAGES AND SMOKING

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A. No chewing gum allowed in the pool area.

B. LITTER WILL NOT BE TOLERATED! All trash must be put in the appropriate containers and all cigarette butts disposed of in ash trays. Repeated violations of this rule will result in suspension of privileges.

C. Food is permitted only in the designated areas such as the covered porch and raised terrace area.

SECTION IX. PRIVATE PARTIES

Members may request use of the pool facilities for private parties. Such private parties may be held only at times when the pool would normally be closed. The sponsoring member will be responsible for extra fees which will be set by the Board of Directors. Requests for private party use of the Club facilities must be in writing, normally at least ten (10) days in advance of such use. Written approval by the Board of Directors or its representatives is required prior to the date of the party use. The non-refundable fee must be paid 10 days in advance.

<h3>GENERAL TENNIS RULES AND REGULATIONS</h3>
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1. Unless otherwise authorized by the Pool Manager, the Tennis Courts shall only be used for tennis.
2. The Tennis Committee, Club Officers, Pool Manager and lifeguards are authorized and directed to enforce all rules; the cooperation of all members is requested.
3. Tennis etiquette and tennis courtesy should be observed at all times. All trash must either be deposited in trash containers or taken with you on departure-not left lying on the courts. No glass containers allowed at the tennis courts.
4. Proper tennis attire must be worn at all times-soft soled shoes and shirts must be worn.
5. Guests must be accompanied by a member. No in-town guests on weekends or holidays are permitted unless courts are vacant. Members may have a total of three guests on a court at one time (3 guests per family). Guests must abide by all tennis rules.
6. Adult, dues-paying members shall have priority after 6:00 p.m. on weekdays, all day Saturday, Sunday and Holidays.

7. Club tournaments, group clinics and league play will have priority over all play on the courts. The Tennis Committee will approve all functions of this nature and will reserve court time for same.
8. Court time may be reserved by members at the front desk.
9. Upon arrival at the courts, ALL players MUST sign the court sign-in board, noting the starting time. If the courts are full, players can sign on the waiting list. You must be available, or you forfeit your place to those next on the waiting list.
10. Singles play will be limited to ONE HOUR, doubles play to ONE-AND-ONE HALF HOUR unless the play is either a challenge match or tournament play. Players may sign up for more play after finishing play and leaving the courts.
11. It is the responsibility of those waiting to notify players of the expiration of time politely. Five-minute warning will do. Courts should be vacated immediately at the expiration of time, so as not to infringe on the time of others.
12. Players will not be allowed to hold courts after their starting time while waiting for opponents. Courts must be surrendered to the next waiting players, or in the case of doubles, play may continue as singles play if one of the foursome is late. Therefore, the sign-in board must be changed to singles play with the time limited to one hour.
13. Challenge matches and tournament matches will get extra time beyond the usual time if needed. A note of CM/TM should be made on the sign-in board.
14. The tennis courts will be equipped with combination lock. This combination lock will be changed periodically for security purposes. Notice of forthcoming changes will be posted at the courts.
15. Children who are not playing tennis are not permitted on the courts.
16. Members must turn off the lights when finished playing at night.

<p>BY-LAWS OF THE SARDIS FOREST SWIM CLUB, INC.</p>
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<p>3-00</p>

ARTICLE I. NAME AND PURPOSE

Section 1. Name. The Name of the Corporation is SARDIS FOREST SWIM CLUB, INC., hereinafter referred to as the “Club.”

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Section 2. Purpose. The purpose of the Club shall be to promote swimming, and such other athletic, recreational, social and other non-profit purposes of its members, and to construct and/or maintain, provide and make available swimming, athletic, recreational and social facilities including without limitation, swimming and athletic facilities, all pursuant to such rules, regulations and policies as shall be set forth in these by-laws.

ARTICLE II. OFFICES

Section 1. Principal Office. The principal office of the Club shall be located in Mecklenburg County, North Carolina.

Section 2. Registered Office. The registered office of the Club required by law to be maintained in the State of NC may be, but not need be, identical with the principal office.

ARTICLE III. MEMBERSHIP

Section 1. Class of Members. Members of the Club shall be classified as (1) Charter Members or (2) Regular Members. The term “Member” as used throughout these by-laws shall refer collectively to all three classes of members.

(a) **Charter Member.** Any adult eighteen (18) years of age or over shall be eligible for Charter Membership subject to approval of the Board of Directors. Charter Members shall have full privileges of the Club for themselves and dependent members of their families, as hereinafter defined, subject to such rules as may be set by the Board of Directors. Charter Membership is expressly restricted to the first 240 persons to apply and accepted for membership in the Club prior to the Club’s Opening. Charter Members will have the right to refund in full of their initiation fee in the event they withdraw from membership and relocate their primary residence outside Mecklenburg or Union Counties; provided however, that such withdrawal rights will not be available except when paid membership in excess of 300 members in Good Standing.

(b) **Regular Member.** Any adult eighteen (18) years of age or over who is not a Charter Member shall be eligible for Regular Membership subject to approval of the Board of Directors. Regular Members shall have full privileges of the club for themselves and Dependent Members of their families, as hereinafter defined, subject to such rules as may be set by the Board of Directors.

Section 2. Use of Club facilities by Members and their Dependents. All Members and their dependents shall be entitled to Club privileges and use of the Club facilities so long as such Member is in Good Standing and subject to the Rules and Regulations of the Club as may be from time to time adopted as herein provided. A Member shall be considered in Good Standing only if he has paid all dues and fees required to have been

paid, and is not in the status of an expelled or suspended Member. A Member is responsible for the conduct of his dependents.

Section 3. Dependents Defined. “Dependent Members” shall be defined and construed to be those persons whose legal residence is that of the Member and are defined as “dependents” by the Internal Revenue Code of the United States or such other persons as may be designated from time to time by the Board of Directors.

Section 4. Good Standing Defined. Unless determined otherwise by the Board of Directors, all Members having paid all dues and fees owed to the Club shall be considered to be in Good Standing with the Club.

Section 5. Maximum Number of Members. The membership in the Club shall be limited to 390 members.

Section 6. Membership Eligibility

(a) Membership in the Club shall be restricted to individuals eighteen (18) years of age or older, who are residents of Mecklenburg or Union counties or are a qualified Non-Resident Member as defined in Art. III, §1(c), whose applications have been approved by the Board of Directors and who have paid all appropriate dues and fees. In addition to those requirements set forth herein, the Board of Directors may fix other requirements for membership consistent with these by-laws.

(b) To the extent not inconsistent with subsection (a) above, the Board of Directors may offer membership to individuals under the age of eighteen (18), provided that such individuals’ parent or legal guardian shall assume full responsibility for the minor members’ conduct and for performance of their contract of membership. In the event that the Board of Directors elects to offer membership to individuals under the age of eighteen (18), the Board of Directors shall provide clear guidelines for determining the nature of and restrictions regarding such membership.

Section 7. Resignation. Members may resign from the Club at any time by giving written notice to the Secretary but such resignation shall not relieve the Member so resigning of the obligation to pay any dues, assessments or other charges theretofore accrued and unpaid.

Section 8. Transfer of Charter Membership

(a) Membership in the Club is not transferable or assignable except, however, that upon the death of any Charter Member. In this case, membership may be continued by the surviving spouse, or upon approval by the Board of Directors, any Dependent Member listed in the deceased Member’s membership.

(b) Notwithstanding the provisions of subsection (a) above, a Charter Member who resigns from the Club may secure an applicant to replace him as a Member (a

“Replacement Membership”). Such applicant shall apply for membership in the Club on the same basis as other applicants for membership and, if accepted for membership by the Board of Directors, shall, upon the payment of all applicable fees and dues, become a Member. Upon the acceptance by the Board of Directors of the replacement membership, the resigning member shall be entitled to the redemption of this membership certificate subject to the provisions of Article IX of these by-laws.

Section 9. Censure and Suspension. In the event of an infraction of the by-laws or any Rule or Regulation of the Club, or any conduct on the part of any Member or Dependent Member of the Club which may tend to endanger the good order, welfare or character of the Club, the Board of Directors or any committee to which the Board shall delegate such authority may, for such period of time as it sees fit, suspend such offending Member’s, Dependent’s Member’s Club privileges.

Section 10. Failure to Pay Dues, Etc. Any Member who fails to pay any dues, assessments or other charges required to be paid within thirty (30) days of the due date shall be considered delinquent and shall be placed on a delinquent list and so notified. Said Member and all Dependent Members on the affected membership shall be suspended from all Club privileges and the use of the Club facilities until his account has been paid in full, provided, however, that the Board of Directors may, in its sole discretion, postpone the payment of any dues owing by a Member upon showing of temporary and extreme hardship and establish such terms and conditions for payment as the Board of Directors deems appropriate under the circumstances under guidelines adopted and amended from time to time by the Board in its sole and absolute discretion.

Section 11. Expulsion from Membership. The Board of Directors, by affirmative vote of two-thirds of all members of the Board, may expel a Member for cause. The term “cause” shall include the failure to pay any dues, assessments or other charges within thirty (30) days after having been suspended for such failure to pay and shall also include flagrant violations of the Club Rules and Regulations by a Member and/or Dependent Members or guests entitled to the Club privileges and the use of the Club facilities by a Member and/or Dependent Members during a period of suspension. Ten (10) days notice in writing shall be given to the offending Member or Dependent Member, and to each member of the Board of Directors of any meeting at which such expulsion shall be considered. Any person so charged with misconduct shall have the opportunity of defending himself, either in person or by representative at the meeting of the Board of Directors when the charges against him or her shall be considered.

Section 12. Reinstatement. Any former Member expelled under §11 above, may submit a written request with Board seeking reinstatement to the Club. Such reinstatement request must be filed with the Secretary and must be approved by an affirmative vote of two-thirds (2/3) of the members of the Board; provided, however, that any former Member seeking reinstatement under this §12 may be conditioned upon payment of delinquent charges and upon such other terms and conditions as the Board may deem appropriate in its sole and absolute discretion.

ARTICLE IV.

MEETING OF MEMBERS

Section 1. Annual Meeting. An Annual Meeting of the Members of the Club shall be held during the second week of April in each year, beginning with year 1986 at 7:30 P.M. for the purpose of electing members of the Board of Directors and for the transaction of such other business as may come before the meeting.

Section 2. Substitute Annual Meetings. If the Annual Meeting shall not be held on the day designated by these by-laws, a Substitute Annual Meeting may be called in accordance with the provisions of §3 of this Article. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Section 3. Special Meetings. Special Meetings of the Members may be called at any time by the President, Secretary or the Board of Directors or pursuant to the written request of twenty-five (25%) percent of the Members in Good Standing.

Section 4. Place of Meeting. The Board of Directors (or the person(s) calling a Special Meeting) may designate any place in Mecklenburg County as the place of any meeting of the Members.

Section 5. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting shall be delivered either personally, by mail, or by electronic mail by or at the direction of the President, the Secretary or person(s) calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addresses to the Member at his address as it appears on the records of the Club with postage thereon prepaid. In the case of a Special Meeting, the notice of meeting need not specifically state the business to be transacted thereat unless such statement is expressly required by the provisions of these by-laws or the Non-profit Corporation Act.

Section 6. Quorum. Ten percent of the Members, present in person and entitled to vote, shall be required and shall constitute a quorum at all meetings of Members. If there is no quorum at the opening of a meeting of members, such meeting may be adjourned from time to time by the vote of a majority of the Members voting on the motion to adjourn.

Section 7. Voting Rights. Each Membership in Good Standing having the right to vote on a matter or matters submitted to a vote at a meeting of Members shall be entitled to one (1) vote on each such matter, provided such votes are cast in person by the Member. In no event shall a Member be allowed to vote by proxy. The vote of a majority of the Members in Good Standing, voting on any matter at a meeting of Members at which a quorum is present, shall be the act of the Members on that matter, unless the vote of a greater number is required by law or by the charger or by-laws of this Club.

ARTICLE V. BOARD OF DIRECTORS

Section 1. General Powers. The business, affairs and property of the Club shall be managed and directed by the Board of Directors. The Board of Directors shall have the power to make and amend rules and regulations pertaining to the operation of the Club and its facilities and shall have responsibility for the management of the affairs of the Club, including the authority to fix fees, dues and charges for all members and to revise the same from time to time. The Board of Directors may delegate such powers it deems desirable to such committee or committees the Board may establish pursuant to these by-laws.

Section 2. Number and Qualifications. The number of Directors of the Club shall be nine. Each Director must be a Member of the club. Each Director shall hold office for the term to which he was elected and until his death, resignation, removal or his successor is elected and qualified. The Board shall consist of the three (3) Officers as set out in Art. VII, §1. The other six (6) Directors shall be responsible for the following duties:

- (a) Membership Director
- (b) Social Director
- (c) Maintenance and Beautification Director
- (d) Concessions and Fundraising Director
- (e) Swim Team Director
- (f) At-Large Director

Section 3. Election of Directors. Three (3) Directors will be elected each year for a three (3) year term except in those instances where a vacancy occurs which has not been filled by the Board. An additional Board Member must be elected to fill such vacancy. Notwithstanding the foregoing sentence, in the event that the swim team members shall have elected or appointed a governing body such as a Board of Directors or an elected group of officers, the Swim Team Director shall be appointed by such governing body and shall serve for a one (1) year term.

Section 4. Voting for Directors. Every Member in Good Standing shall be entitled to vote at an election of Directors, and shall have the right to vote for as many persons as there are Directors to be elected provided that a Member may not cast more than one (1) vote per nominee.

Section 5. Removal. Directors may be removed from office with or without cause by vote of majority of the members entitled to a vote at an election of Directors. Such

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removal may occur at either an Annual or Special Meeting of Members. If any Directors are so removed, new Directors may be elected at the same meeting. Any Director who shall resign or be expelled from membership in the Club automatically shall be considered as having resigned his position as Director and his position shall be filled as otherwise established by these by-laws. For the purpose of this Section "cause" shall include the absence of any Director from three (3) consecutive regular meetings of the Board of Directors without giving notice of such absence in advance to the Secretary.

Section 6. Vacancies. Vacancies occurring in the Board of Directors may be filled for unexpired portion of the term by a majority vote of the remaining Directors, though less than a quorum, or by the sole remaining Directors provided that a vacancy created by an increase in the authorized number of Directors shall be filled only by election at an Annual Meeting or at a Special Meeting of the Members called for that purpose. The Members may elect a Director at any time to fill any vacancy not filled by the Directors.

ARTICLE VI.

MEETING OF DIRECTORS

Section 1. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than this Art. VI, §1, immediately after, and at the same place as, the Annual Meeting of Meeting of Members. In addition, the Board of Directors shall meet at least once a month during the months of April through October at such times and places as the Board of Directors may in its sole and absolute discretion, from time to time, decide. All meetings of the Board of Directors, whether regular or special, may be held within or outside of the State of NC.

Section 2. Special Meetings. Special Meetings of the Board of Directors may be called at the request of the President, or if he is absent or is unable or refused to act, by any five (5) Directors.

Section 3. Notice of Meetings. Regular Meetings of the Board of Directors may be held without notice. The person or persons calling a Special Meeting of the Board of Directors shall, at least two (2) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting.

Section 4. Quorum. A majority of the number of Directors fixed by these by-laws shall be required, for and shall constitute, a quorum for the transaction of business at any meeting of the Board of Directors.

Section 5. Manner of Acting. Except as otherwise provided in these by-laws, or under the Non-profit Corporation Act, the act of the majority of the Directors present at a meeting which is a quorum is present shall be the act of the Board of Directors. Each member of the Board of Directors shall be entitled to one (1) vote on each matter and no

one shall vote by proxy. If no quorum is present at any meeting, it may adjourn from time to time until a quorum shall be present.

Section 6. Organization. Each meeting of the Board of Directors shall be presided over by the President, and in the absence of the President, by any person selected to preside by vote of a majority of the Directors present. In the absence of the Secretary, any person designated by the Chairman of the meeting shall act as Secretary of the meeting.

Section 7. Informal Action. Any action required to be taken at a meeting of the Board of Directors of the Club, or of any Committee of Directors as provided for herein, may be taken without a meeting if a consent in writing, setting forth the action so taken, will be signed by all of the Directors or all of the members of the Committee, whether done before or after the action so taken. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or documents filed with the Secretary of State under the Non-profit Corporation Act.

ARTICLE VII. OFFICERS

Section 1. Number and Title. The officers of the Club shall consist of a President, a Secretary, a Treasurer, and such other officers as the Board of Directors may from time to time elect. Any two (2) or more offices may be held by the same person except the offices of President and Secretary.

Section 2. Qualification. All officers of the Club shall be elected from the Board of Directors of the Club.

Section 3. Election and Term of Office. The officers of the Club shall be elected at the regular Annual Meeting or Substitute Annual Meeting of the Members of the Club in the same manner as all other Directors are elected, as set forth in Article V, Section 3.

Section 4. Vacancies. Vacancies in any office because of death, resignation, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The President shall be the principal executive officer of the Club, subject to the control of the Board of Directors, shall supervise and control the management of the Club. The President shall, when present, preside at all meetings of the Directors, and, in general, shall perform all duties incident to the office of President and such other duties as may be prescribed from time to time by the Board of Directors.

Section 6. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of the Board of Directors. He shall have, or cause to be given, all notices required by law and by these by-laws. He shall have general charge of the corporate books and records and of the corporate seal, and he shall affix the corporate seal to any lawfully executed instrument requiring it. He shall keep a register of the

Members and the post office address of each Member which shall be furnished to the Secretary by such Member. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the President or by the Board of Directors.

Section 7. Treasurer. The Treasurer shall have custody of all funds and securities belonging to the Club and shall receive, deposit or disburse the same under the direction of the Board of Directors. He shall keep full and accurate accounts of the finances of the Club in books especially provided for that purpose and shall generally perform all other duties as may be assigned to him from time to time by the President and the Board of Directors.

Section 8. Authorization to Enter into Contracts, Sign Checks, Borrow Money, and Obtain Credit. Any two of the following officers of the Club are authorized to sign checks and other orders for the payment of money from the accounts of the Club: President, Secretary, and/or Treasurer. Any two of the following officers are authorized to enter into contracts, borrow money, obtain and continue credit on behalf of the Club: President, and Secretary and/or Treasurer. The Board of Directors may assign authority as they deem appropriate for any Club Employee to enter into contracts for the benefit of the Club.

Section 9. Bonds. The Board of Directors may, by resolution, require any or all officers, agents and employees of the Club to give bond to the Club, with sufficient sureties, conditioned on the faithful performance of the duties of their respective officers or positions, and to comply with such other conditions as may, from time to time, be required by the Board of Directors.

Section 10. Additional Expenditures. Expenditures of non-budgeted, non-emergency items over \$500.00 must be approved by two-thirds of the existing Board of Directors.

ARTICLE VIII. COMMITTEES

Section 1. Standing Committees. The Board of Directors of the Club shall have the discretion to appoint the following standing committees:

(a) The Finance Committee shall be responsible for reviewing and monitoring the finances of the Club, to make recommendations of budgetary matters, to perform audits and other related financial analyses for the Club and to generally oversee all business and financial matters of the Club.

(b) The Membership Committee shall consider all applications of membership in the Club and make recommendations to the Board of Directors with respect thereto, supply such identification of members as shall be necessary to secure admission to Club facilities, determine the eligibility of any person or guest to use Club facilities and to be responsible for maintaining the membership level of the Club.

(c) The Grounds and Improvements Committee shall be responsible for the acquisition of real property for the facilities of the Club, for the construction of such facilities and for the control, management and up-keep of the pool and bathhouse facilities. This Committee shall also be responsible for maintaining the condition and appearances of the physical properties of the Club and shall make all rules and regulations for the use of the Club facilities.

(d) The Swim Team Committee shall be responsible for the organization and operation of a Swim Team and shall make recommendations to the Board of Directors with respect thereto. This committee shall be chaired by the Swim Team Director, and shall be responsible for the hiring of coaches, the organization of volunteers to manage meets and practices, managing the relationship between the Club and any leagues in whose activities the Swim Team may wish to participate, setting forth and collecting fees related to participation in the Swim Team, and setting forth rules and regulations specific to participation in the Swim Team. Notwithstanding the above and the provisions of Section 2 below, the Swim Team Committee may delegate some or all of such responsibilities to a Swim Team Board of Directors or Officers, regardless of whether such Directors or Officers are then serving as Directors of the Club.

Section 2. Committee Membership. Members of committees set out in Art. VIII, §1 shall be members of the Board of Directors and shall serve of a period of one (1) year and until their successors have been duly elected and qualified. Each standing committee shall have a minimum of three (3) and a maximum of five (5) members.

Section 3. Committee Duties. The duties and authority of the committee's set forth in Art. VIII, §1 shall be specified by the Board of Directors in the resolution appointing the membership of each such committee.

Section 4. Special Committees. The President, Directors or any committee may from time to time authorize or appoint special committees as they, in their sole and absolute discretion, may deem necessary or advisable and shall prescribe the duties of each special committee. The members of the special committees must be Members of the Club, but need not be members of the Board of Directors.

Section 5. Organization of Committees. The President, Board of Directors of committee meeting the appointment of a committee shall designate a chairman, vice chairman and secretary of said committee. All committees shall keep minutes of their proceedings.

ARTICLE IX.

DUES AND FEES

Section 1. Initiation Fee. Upon application for membership in the Club, the applicant shall pay an initiation fee in the amount designated by the Board of Directors.

Section 3. Membership Cards. Every Member will receive a Membership Card signifying membership in the Club.

Section 4. Dues. All members shall pay dues in such amount, and at such times as may be fixed by the Board of Directors. The Secretary of the Club shall mail to each Member a notice of the amount of the dues payable by each Member and the date or dates upon which dues are payable. Except as provided in Art. IX, §6 below, no portion of any dues shall be refundable notwithstanding the resignation or termination of Member's membership in the Club, or the suspension of Club or pool operations for necessary repairs or other reasons. Members of the Club who reside in Mecklenburg or Union County are liable for full dues regardless of usage. A Member may not elect to reduce or eliminate this amount by refraining from use of the Club facilities for any period of time.

Section 5. Additional Assessments. Additional assessments may be levied by the Board of Directors whenever necessary to pay the Club's indebtedness or to make capital improvements provided, however, that assessments in excess of \$100 per member in one fiscal year shall require the approval of majority of the total membership.

Section 6. Redemption of Charter Membership Certificate. Except as provided in Art. III, §8, all certificates of charter membership are nontransferable, nonnegotiable and will be redeemed at such time as (1) the Charter Member resigns his membership in writing and (2) the total membership of the Club exceeds 300 members in Good Standing. Whenever such Charter Member resigns, or his membership is terminated, such resignation or termination shall constitute an offer of his charter membership certificate for redemption. Except for payment as herein provided, each certificate of charter membership shall become null and void upon the date that the holder thereof ceases to be a Member for any reason. In the event a replacement membership is obtained, the charter membership certificate shall be redeemed in chronological order of resignation at such time as the total membership exceeds 300 members in Good Standing and there are funds currently available in the Club for the redemption. The redemption price of the certificate shall be the amount stated on the charter membership certificate; provided, however, there shall be deducted from such redemption price all amounts due and owing by the Charter Member of the Club at the time of such redemption. As soon as a Charter Member shall resign or his membership terminate for any reason whatsoever, the Charter Member shall surrender possession of his certificate of charter membership to the Club, and in the event the Club is unable to obtain possession of the certificate of membership, it shall be cancelled on the books of the Club.

Section 7. Dissolution. In the event of the dissolution of the Club in any manner or for any cause, but no other event, upon the effective date of dissolution of the Club, any outstanding charter membership certificates shall be a lien upon the proceeds of the sale of the property of the Club after (1) the payment of all its just debts and obligations and (2) the return of all assets of the Club held upon condition requiring return, transfer conveyance by reason by dissolution to the extend of the stated redemption value of the charter membership certificates as fixed by these by-laws, subject to set-off of all debts,

dues and obligations owed by the holder of the charter membership certificates. After payment of all charter membership certificates outstanding upon Club, the remaining surplus, if any, shall be paid and distributed pro rate amount the various Members of the Club.

Section 8. Miscellaneous. Members shall be responsible for the payment of all charges and liabilities that may be imposed upon such Member by reason of the Dependent Members listed on said Member's membership to whom the Club privileges and use of the Club facilities shall have been extended, and for all charges and liabilities imposed upon or incurred by guests introduced by such Member or the Dependent Members listed on said Member's membership.

Section 9. Taxes. All fees and other charges referred to herein are exclusive of taxes imposed by the Federal, State or other governmental bodies or agencies.

ARTICLE X. USE OF CLUB FACILITIES.

Section 1. General. The Club privileges and facilities are for the sole and exclusive use and benefit of the Members of the Club, the Dependent Members listed on their membership and their bona fide guests, and any other use thereof is absolutely prohibited except as may be provided by the Board of Directors.

ARTICLE XI. AMENDMENT TO BY-LAWS

These by-laws may be amended or repealed and new by-laws may be adopted by the affirmative vote of a majority of the Directors then holding office at any regular or special meeting of the Board of Directors.