

**BY-LAWS OF
STONE LAKE COMMUNITY CLUB
AS AMENDED
OCTOBER 2019**

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ARTICLE 1 - Name and Location

The name of this corporation is **STONE LAKE COMMUNITY CLUB**. It is located in Greenville, South Carolina.

ARTICLE 2 - Purposes

This Club is organized and exists, not for pecuniary gain, but as a non-profit corporation under the laws of the State of South Carolina. It is formed to provide for its qualified members and for the families and authorized guests of such members, facilities for swimming and related kinds of physical and mental recreation, relaxation, and education. To promote these aims, this Corporation purposes to construct, own, maintain, and operate a swimming pool and appropriate appurtenant facilities, all in consonance with the highest legal, moral, educational, and non-profit standards.

ARTICLE 3 - Directors and Officers

Section 1 - The affairs of the Club shall be governed by a Board of Directors, composed of thirteen (13) persons, each of whom shall serve without compensation and be in good standing until his or her successor is elected and shall qualify as provided in these By-Laws.

Section 2 - At each annual meeting, upon nominations from the floor, the members of the Club shall elect vacant Directors for a term of three years each. At the same time, the Club shall elect such additional Directors as may be required to serve out the expired terms of vacancies then existing on the Board.

Section 3 - The officers of the Club shall consist of a President, who shall also serve as Chairman of the Board of Directors; a Vice-President; a Secretary; and a Treasurer. The President, Vice-President, and Secretary shall be members of the Board of Directors. The Treasurer is not required to be a member of the Club.

Section 4 - The President, Vice-President, Secretary, and Treasurer, each of whom shall be elected annually by the vote of a majority of the Board of Directors, shall serve until the first meeting of the

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Board following the next annual meeting of the membership, or until their successors shall be elected and shall qualify.

ARTICLE 4 - Powers and Duties of the Directors and Officers

Section 1 - The Board of Directors in its corporate capacity shall exercise all the powers of the Corporation and shall make necessary rules and regulations not inconsistent with the law, the Articles of Incorporation, or these By-Laws; and no Director in his individual capacity shall attempt to deal with members of the Club, employees, or others on behalf of the Corporation unless authorized to do so by the Board of Directors.

Section 2 - The Board of Directors shall hold its first meeting each year immediately following the annual meeting of the membership. Thereafter, the Board shall meet at its convenience, on call of the President, or upon five days' written notice given by a majority of the Board to each individual director.

Section 3 - At all Directors' meetings, a quorum shall consist of seven (7) members of the Board, and a majority of such quorum may decide any questions that may come before the meeting.

Section 4 - The Directors shall fill for the unexpired term any vacancy created by death, incapacity, resignation, or removal of any Director or Officer of the Corporation.

Section 5 - When any Director shall have three consecutive un-excused absences (or an excessive number of un-excused absences in any year) from the meetings of the Board of Directors, his office as Director may be declared vacant by a majority vote of the Board.

Section 6 - To conduct studies and formulate appropriate recommendations concerning various facets of the affairs of the Corporation, the Board of Directors shall appoint, from its own membership or from other members of the Corporation, such committees as it deems necessary and desirable. Responsibility for actions taken as a result of such studies and recommendations shall not rest on the committees themselves, however, but remain unequivocally vested in the Board of Directors.

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Section 7 - Only upon approval of the Board of Directors shall the Corporation borrow any money.

Section 8 - No expenditure of more than \$500 shall be made from corporate funds without specific authorization of the Board. All expenditures must be authorized by the Board. This Section merely authorizes smaller amounts to be expended without first presenting exact written quotes to the Board. The Board may authorize these expenditures via email voting.

Section 9 - The Board of Directors shall select one or more banks to act as depositories of the funds of the Corporation and determine the manner of receiving, depositing, and disbursing the funds of the Corporation and the form of checks and the person or persons by whom the same shall be signed when not signed by the Treasurer, as provided herein. In every case the bank or banks selected shall be a member of the Federal Deposit Insurance Corporation or the successor thereof.

Section 10 - The President shall be the executive head of this Corporation and, as such, shall

- a) Preside at all meetings of the members of the Club and of the Board of Directors.
- b) Call special meetings of the Board of Directors and of members of the Club.
- c) Sign, with the Treasurer, contracts, promissory notes, deeds, and other instruments on behalf of the Club, except those which the Board of Directors specifies may be signed by other persons.
- d) Perform all acts and duties usually required of an executive to ensure that all orders and resolutions of the Board are carried into effect.
- e) Serve as an ex officio member of all standing committees.

Section 11 - The Vice President shall, in the absence of the President, assume all of the responsibilities and perform all of the other acts and duties usually required of the President. Should both the Vice President and the President be absent from any meeting, the Directors shall elect from their number a person to act as Chairman of the meeting.

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Section 12 - The Secretary shall

- a) Keep or cause to be kept all records and minutes of the proceedings of the meetings of the members of the Club and of the Board of Directors.
- b) Have custody of the corporate seal which shall be affixed to such instruments as shall require it and thereupon shall be attested by his signature or by the signature of the Treasurer.
- c) Attend to all correspondence on behalf of the Board of Directors and issue notice of meetings.
- d) Pursue all other duties as the Board of Directors may determine and, on all occasions, in the execution of his duties, act under the superintendence, control, and direction of the Board.
- e) Have custody of the minute books of the meetings of Directors and members, which minute books shall at all times be available for the information of Directors.

Section 13 - The Treasurer shall

- a) Attend meetings of the Club and Board of Directors when requested by the President or presiding director.
- b) Receive such sums of money as may be paid into his hands for the account of the Club and disburse such funds as may be ordered by the Board, taking proper vouchers for such disbursements, and be custodian of all securities, contracts, and other important documents pertaining to the business of the Club, which documents he shall keep safely deposited in a fireproof safe or vault.
- c) Supervise the keeping of accounts of all the financial transactions of the Club in books belonging to the Club and deliver such books to his successor. He shall prepare and distribute to all the members of the Board, at least ten days before each annual meeting of the members and whenever else required, a summary of the financial transactions and condition of the Club for the preceding year. He shall make a full and accurate report of all matters and business pertaining to his office to the members at the annual meeting, and make all reports required by law.

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- d) Deposit all funds of the Club in the name and to the credit of the Club, in such depositories as shall be designated by the Board of Directors.

- e) Sign as Treasurer all checks and, with the President, sign all contracts, promissory notes, deeds, and other instruments on behalf of the Club, except those, which the Board of Directors specifies, may be signed by other persons.

- f) Keep the membership book and receive all applications for admission to membership and present such applications, once membership reaches the amount stated in Article 5 Section 3, to the Board of Directors at its next regular meeting.

- g) Perform such other duties as may be required of him by the Club or the Board of Directors.

ARTICLE 5 - Memberships and Rights There Under

Section 1 - Membership shall be of three types, "Active", "Inactive" and "Suspended".

An "Active Membership" is one in which the holder thereof, having applied and been approved for membership by the Board of Directors, pays the then-prevailing initiation fee, agrees in writing to abide by the By-Laws and other community rules of the Club, and pays the prevailing annual membership dues before using any of the facilities provided by the Club.

An "Inactive Membership" is one in which the holder thereof, having applied and met all requirements for an "Active Membership" of the club, voluntarily terminates said membership in a written notification to the Board of Directors. An Inactive member can become active without paying an initiation fee if membership is reactivated within 3 years. If membership is at stated capacity, an inactive member who wants to re-activate his/her membership within one year of going in-active will be placed at the top of the waiting list. After one year, such member will be placed at the bottom of the waiting list, if there is one.

A "Suspended Membership" shall be one who has failed to pay his dues or other financial obligations to the Club when the same have become due and payable. Once

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a membership has become a “Suspended Membership”, all Club privileges of his membership shall be completely withdrawn until such time as the suspended member shall pay the Club all back dues, assessments for capital improvements, and any other debts owed by him to the Club, plus a reinstatement fee of 20% of the total amount of back dues, assessments, and other debts owed to the Club. A Membership shall be terminated after one calendar year of suspension. A terminated member must wait three years before reapplying for membership.

The Board may, from time to time and upon request, approve Senior and or Individual memberships with yearly dues reduced to no less than 50% of the normal Family rate. Initiation fees shall be the same for all memberships. The combined total of Senior and Individual memberships shall not exceed 10% of the maximum allowed number of Family memberships. Senior memberships may be considered for individuals or married couples over the age of 60 years, who are current members, with no dependents living in the home. Dependents of Senior members are treated as guests. Individual memberships may be considered for individuals who are the sole occupant of their household.

The Board may, at its discretion, approve an individual or family membership for the Stone Lake Pool Swim Team head coach. This membership is subject to payment by the coach of standard yearly dues with the exception of the waiver of the prevailing initiation fee and shall be for the duration of the head coach’s tenure, or subject to cancellation at any time at the discretion of The Board.

Section 2 - Membership in this Club shall be open to citizens and residents of the County of Greenville, State of South Carolina and to any other applicant, approved by the Membership Committee of the Board of Directors.

Section 3 - No new member of the Club shall be considered for membership by the Membership Committee of the Board of Directors without first being endorsed by at least one member of the Club in good standing.

Section 4 - All applications for membership or reinstatement shall be presented to the members of the Membership Committee of the Board of Directors, in writing, at or in advance of a scheduled Board meeting prior to the new member drop in. Sufficient time shall be allowed for

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the Membership Committee of the Board of Directors to read and consider all applications prior to the vote being called to approve/disprove such application.

Section 5 - Memberships shall be limited to 350 families. Individual or senior memberships shall not count toward the 350-family limit. Individual or family membership held by the Stone Lake Swim Team head coach, shall not count toward the 350-family limit.

Section 6 – The joint ownership of an active membership interest by husband and wife with right to survivorship shall be permissible; otherwise, membership must be owned and controlled by one person who shall also meet the other criteria for membership set forth in these By-laws. In the case of divorce, the Divorce policy shall control but in no case shall a divorced couple continue to share an individual membership.

Section 7 - Each membership shall entitle the holder thereof and his/her children living in his/her home to use of the pool and other facilities of the Club, subject to the rules and By-Laws of said Club.

Section 8 - Any member aggrieved by any disciplinary action by the Board of Directors (Other than permanent revocation as addressed in Article 11, Section 3) may appeal to the Membership at a special meeting called for such purpose upon ten days' notice to the members and at such meeting a majority of members present in person or by written proxy shall control.

Section 9 - In voting for Directors, each Active Member may cast one vote for each seat to be filled. Each Active Member may cast one vote only upon each issue. Where membership is held jointly by husband and wife, they may together cast only one vote. "Inactive Memberships" and "Suspended Memberships" shall be non-voting. All votes of any kind must be cast by the voting Member either in person or through use of a voting proxy.

ARTICLE 6 - Transfer of Membership

Section 1 - No membership may be transferred other than to the Club except with prior consent of the Board of Directors. Memberships may be relinquished through written notification to the Board of Directors. At that time, the membership will be offered to the next family on the waiting list, if any, or to another applicant at the sole discretion of the Board of Directors.

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Section 2 - Upon the approval of the Board of Directors of an application for membership, the Secretary shall make the appropriate entries on the books of the Club and shall issue the necessary evidences of membership as provided by these by-laws.

Section 3 - Whenever any member transfers his membership to the Club, and such transfer is approved by the Board of Directors, all rights of the transferor shall be forever terminated, without prejudice to reapply as a new member.

Section 4 - Existing Class III Membership Certificates shall be honored until expiration but no new Class III Certificates shall be sold after January 2014.

ARTICLE 7 - Membership Meetings

Section 1 - The fiscal year of the Corporation shall end on a date to be hereafter determined by the Board, to which date accounts shall be made up. The annual meeting of the Club shall be held within the third quarter of the calendar year at a time and place to be designated by the President in a written notice to all members mailed, emailed, or otherwise delivered at least ten days prior to the scheduled time of the meeting.

Section 2 - Special meetings of the membership may be called upon three days' notice to members of record given by the President, by a majority of the Board of Directors, or by request from 20% of the Active Members.

Section 3 - The presence of at least twenty percent of the members shall constitute a quorum for the transaction of business at any meeting of the Club membership. If less than a quorum shall be in attendance at any time a meeting shall have been called to order, such meeting may, after the lapse of at least one-half hour to allow for late arrivals, be adjourned by a majority of members present. If written or email notice of such adjourned membership meeting is sent to the members, such notice containing a statement of the purpose of the meeting and also that the previous meeting failed for lack of a quorum, the adjourned meeting may be continued one (1) hour after such notice is sent and any number of members present shall constitute a quorum at such continued meeting.

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ARTICLE 8 - Dividends and Finance

Section 1 - This Club shall be a non-profit Corporation and no dividends shall ever be declared.

Section 2 - The books and accounts of the Corporation shall be reviewed annually by a certified public accountant selected by the Board of Directors and the report and results of the review made available to the membership. An audit of the Corporation may be performed from time to time as determined by the Board of Directors or upon request by at least 20% of the current membership.

ARTICLE 9 - Annual Dues and Assessments

Section 1 - Annual dues to support the operation and maintenance of facilities and to permit the creation of reasonable reserves for contingencies shall be set by the Board of Directors. Dues must be paid by March 1st of each year or the Member shall become a "Suspended Member" as defined in Article 5 Section 1.

Section 2 - Assessments to be used primarily for capital improvement shall be charged to Active Memberships. No assessment shall be levied, however, except by affirmative vote of the majority of the Active members casting their ballots in person or by written proxy at a meeting called for such purpose and held after due written notice to the Membership.

Section 3 - Each new Active Membership shall pay an initiation fee of \$450.00, which shall be in addition to other fees herein provided.

ARTICLE 10 - Guests

Section 1 - Residents of Greenville County, who are not members, may attend as guests of members, when they are accompanied by a member, and pay guest fees in an amount to be determined by the Board of Directors. Guest fees are due at the time of attendance. Any Member failing to pay guest fees when due may have their membership suspended by the Board. Residents of Greenville County will be limited to a specified number of visitations as determined by the Board of Directors.

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Section 2 - Persons who reside outside of Greenville County may attend as guests, in the company of a member, on an occasional basis, free of charge.

Section 3 - Bona fide house guests will not be subject to guest restrictions, other than payment of proper fee, as determined by the Board of Directors. Bona fide house guests shall by way of example include, but not be limited to, minor children for whom a Member serves as custodian or legal guardian.

ARTICLE 11 - Suspension or Revocation of the Use Privilege

Section 1 - The Board of Directors may deny the use of the recreation facilities of the Club to any person upon finding that he has violated the regulations or rules of the Club or that such action is necessary to carry out the principal purpose of the Club as expressed in its Charter and elsewhere in these bylaws. It is the intent of this section that each Member of the Club shall be responsible for the actions of other members of his family and for his guests.

Section 2 - Any person against whom action under this Article is contemplated shall be given at least five days' advance notice of the proposed action and shall be provided a reasonable opportunity to be heard or to be represented at the meeting of the Board in which the proposed action is to be initiated. Only upon written request of the alleged offender, unanimously concurred in by all Directors present at any regular or special meeting of the Board, shall the requirement of five days' notice be waived.

Section 3 - Denial of privileges to any person for more than two weeks shall be only by action of at least two-thirds of the Directors at a meeting, the notice of which has included the proposed action. Any person whose privileges have been permanently revoked by the Board may file a written petition for a membership meeting for the purpose of reviewing the action taken by the Board of Directors. This petition shall require the signature of at least fifteen Active Members, and the notice of such membership meeting will include the fact that a petition has been filed for this meeting. If a majority of the Active Members voting at this meeting shall oppose the action of the Board, the permanent revocation shall be declared void.

Section 4 - Anything in this article to the contrary notwithstanding, the Board of Directors may suspend, or may delegate to an appropriate committee or person the power to suspend, for periods not exceeding one week, any person under 21 years of age found violating the regulations of this Club. Should the occasion warrant and such suspension is made without

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hearing, then it shall be the obligation of the person making suspension to contact the parent or person accused of the offense and provide them with an opportunity to have a hearing in behalf of the minor child involved.

ARTICLE 12 - Use of the Recreation Facilities of the Club

Section 1 - Active Members in good standing shall be eligible to use the recreation facilities of the Club in accordance with the published regulations of the Club upon payment of the fees fixed by the bylaws.

ARTICLE 13 - Records and Report

Section 1 - All records of the Corporation shall be open to members at reasonable hours.

Section 2 - Full and complete disclosure of their activities relative to the operation of the Club shall be made by Committees and Employees to the Board of Directors and by the Directors and Officers to Members at the Annual Meeting of the Club.

ARTICLE 14 – Amendments

These by-laws may be amended by a two-thirds vote of the Members present and voting (there being a quorum present at the time the vote is taken) at any regular or special meeting subject to the same limitations and prohibitions as to subject matter as those set forth in the provisions of the Certification of Incorporation with reference to amending the Certificate of Incorporation.

Amendments may be proposed by the Board of Directors or by petition signed by at least twenty percent of the Members containing the exact text of the proposed amendment, provided copies of the proposed amendments are mailed or otherwise delivered, together with an appropriate notice of the meeting, to all Members of record not less than three days before the amendments are to be voted on. If less than a quorum shall be in attendance at any time such regular or special meeting shall have been called to order, such meeting may, after the lapse of at least one-half hour to allow for late arrivals, be adjourned by a majority of members present. If written or email notice of such adjourned regular or special meeting is sent to the members, such notice

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containing a statement of the purpose of the meeting and also that the previous meeting failed for lack of a quorum, the adjourned meeting may be continued one (1) hour after such notice is sent and any number of members present shall constitute a quorum at such continued regular or special meeting.

ARTICLE 15 - Indemnification and Insurance

Section 1 - Indemnification. The Club shall have the power to indemnify any director or officer or former director or officer of the Club for expenses and costs (including attorney's fees) actually and necessarily incurred by him in connection with any claim asserted against him, by action in court or otherwise, by reason of his being or having been such director or officer, except in relation to matters as to which he shall have been guilty of misconduct or violation of his fiduciary duty in respect to the matter in which indemnity is sought.

Section 2 - Insurance. The Club may purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, employee or agent of the Club against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, provided the liability did not arise from a breach of his fiduciary duty to the Club, whether or not the Club would have the power to indemnify him against such liability under the provisions of applicable South Carolina law.