Revised 09/08/25

SPARKMAN CLUB ESTATES
Community Club By-Laws

ARTICLE I — PROPERTY

Section 1
The title to all property of whatever nature belonging to the Club shall be held in the name of Sparkman Club Estates Community Club, a non-profit organization and corporation of the State of Texas.

ARTICLE II — MEMBERSHIP

Section 1
There shall be four classes of membership: Regular, Honorary, Lifetime and Legacy.

Section 2
The following persons shall be eligible for regular membership:

(A) Homeowners or renters residing within Single family homes, provided that each residence shall constitute one membership, with-in an area bounded by: 1) the southern curb line of Royal Lane from Webb Chapel to Marsh Lane - 3200 to 3600 blocks of Royal Lane; 2) The western curb line of Marsh Lane from Royal Lane to Merrell Road -10400 to 10700 blocks of Marsh Lane; 3) The homes on the southern side and facing Merrell Road from Marsh Lane to Countess - 3400 to 3600 blocks of Merrell Road; 4) The homes on the eastern side of and facing Countess from Merrell Road to Camelot -10300 block of Countess. 5) The homes on the southern side of and facing Camelot from Countess to Baroness - 3200 to 3300 blocks of Camelot. 6) The homes on both sides of Baroness North of Webb Chapel - 10300 block of Baroness. 7) The northern and eastern curb line of Webb Chapel from Baroness to Royal Lane - 3200 block of Camelot and the 10400 to 10700 blocks of Royal Club. 8) The 10300 block of Crittendon Drive.

(B) Former members who resided within the area described in Section 2(A) of this Article.

(C) Grown children of current and former Sparkman members.

Section 3
Honorary members shall be designated by the board as a way of recognizing extraordinary commitment and service to the Club. Honorary members are not assessed dues and are entitled to the rights and privileges of regular membership, except no voting privileges.

Section 4
Lifetime members shall be regular members for a minimum of 15 cumulative years and one member of the household is at least age 80. Lifetime members are not assessed dues and are entitled to all the rights and privileges of regular membership. Eligible members must notify the Membership Chair to become a Lifetime member. Any previously collected dues will be nonrefundable.

Section 5
Legacy members shall be regular members for a minimum of 15 cumulative years and one member of the household at least age 70. Legacy members' dues will be fixed at the dues rate in effect at the time they become Legacy members. They are exempt from future dues increases. Legacy members are entitled to all the rights and privileges of regular membership. Eligible members must notify the Membership Chair to become a Legacy member. Any previously collected dues will be nonrefundable.

Section 6
A membership shall entitle the holder thereof, and all those residing in his or her household, to all privileges of membership.

Section 7
Any member who resigns his or her membership shall automatically forfeit all rights and privileges of membership. Any previously collected dues will be nonrefundable.

Section 8
The Holder(s) of the membership shall be the owners or renters of the residence. No membership in this Community Club shall be assignable, transferable or be subject to a gift or device except as provided in these By-laws.

Section 9
(A) In the event of the death of any holder of the membership, his or her spouse shall be entitled to retain a separate membership, so long as he or she shall pay the dues incident to said membership. No new initiation fee shall be payable for said separate membership.

(B) In the event of the divorce of any holder of the membership, his or her spouse shall be entitled to retain a separate membership so long as he or she shall pay the dues incident to said membership. No new initiation fee shall be payable for said separate membership.

Section 10
One member from each residence shall be entitled to cast one vote so long as the payment of dues and/or indebtedness to the club is not in default. He or she shall be entitled to notice of meetings of members and that member shall be entitled to vote in the election of Director.

Section 11
Nothing in these By-laws shall eliminate or decrease any rights, privileges or obligations imposed upon any member at the time of his or her election pursuant to the By-laws or resolutions then in effect. The Board of Directors is hereby authorized in its discretion to establish and define any such right, privilege or obligation by appropriate resolution on any basis that is fair and equitable.

Section 12
The Board of Directors, from time to time, shall prescribe the form of all certificates of membership and maintain a current and accurate record of memberships both past and present.

Section 13
In addition to the termination of membership by the occurrence of events provided for in the By-laws, the Board of Directors may terminate any membership not in good standing. The Board is responsible for defining members not in good standing.

Section 14
Any member may have his or her membership forfeited or suspended, or he or she may be reprimanded for a violation of these By-laws or Rules of the Club, or for conduct prejudicial to the interest of the Club by two-thirds vote of the Board of Directors. Before such vote shall be taken, such member shall have at least ten (10) days notice in writing of the charges against him or her and an opportunity to be heard in his or her defense. Pending such hearing the Board of Directors shall have the power to suspend the accused member.

Section 15
Any member whose membership is forfeited or suspended shall forfeit all rights and privileges incident to the membership and the Club shall have no obligation on account thereof during the term of such forfeiture or suspension.

ARTICLE III — ELECTION OF MEMBERS

Section 1
All candidates for membership must complete the membership application. The application shall be referred to the Membership Chair at once. The Membership Chair will confirm the applicant's membership eligibility and present the application to the Board of Directors at the next board meeting.

Section 2
The Board of Directors, by appropriate resolution, may provide for an initiation fee in the amount to be determined from time to time in addition to all other fees. Such initiation fee, together with other fees required, shall accompany the application for membership. Such fees shall be refundable to the applicant prior to acceptance. In addition, the Board can vote to waive initiation fees.

Section 3

Election of all members shall be made by the Board of Directors. In the event of rejection, the Membership Chair shall communicate both the fact of rejection and the right of appeal provided in this section to the applicant. Rejection by the Board of Directors may be appealed to the full membership by the applicant at a special meeting called for such purpose within thirty (30) days from date of rejection. Approval by a simple majority of members voting shall constitute an overruling of such objection and shall entitle applicant to a regular membership.

Section 4
(A) If a member ceases to pay dues and is dropped from active membership he or she may be reinstated upon successful application to the Board of Directors and payment of all delinquent dues as though he or she had never been dropped from the rolls, including late fees, up to a maximum of (12) months back dues, In addition, the current initiation fee plus the current quarter's dues must be submitted with the application.

(B) A former member who has resigned with all dues current may be reinstated after a period of twelve (12) months or more, upon successful application to the Board of Directors and payment of the current initiation fee plus the current quarter's dues.

Section 5
From time to time, the Board may consider waiving fees to eligible members in exchange for long-term services provided to the Club. Such services shall be approved by a majority vote of Directors and reviewed each October to determine if the exchange of services and dues are beneficial to the Club. In the event the provider is not supplying sufficient expertise of services, it is at the discretion of the Board to assess the member provider annual dues at the current rate.

ARTICLE IV — MEETINGS

Section 1
The Board shall set the Annual Membership Meeting at a date and time in November. Membership will be notified ten (10) days in advance if the date or time is changed. The meeting shall take place at the Clubhouse, unless otherwise communicated to members in advance. At such Annual Meeting the Board of Directors shall make a full oral report to the members. A written copy of the report signed by the President and Secretary shall be filed with the minutes of the meeting. The Treasurer shall similarly make a financial report and file a copy thereof with the Secretary for inclusion in the minutes of the meeting.

Section 2
(A) A special meeting of the Club may be called:

(1) By the Board of Directors;
(2) Upon written request of the President; or
(3) Whenever ten percent of the members of the Club in good standing shall make a written request of the President.

(B) Whenever a special meeting is requested, the object of the meeting must be specified in the request.

(C) The President shall call a special meeting of the membership in the event an application for membership is rejected by the Board and written request for an appeal to the full membership is made by the rejected applicant.

Section 3
Notice of every annual or special meeting shall be given to the members by mailing a written notice or electronic communication to every member at least ten (10) days before the date of such a meeting. Notices of a special meeting shall state the object for which said meeting is called. No business other than that specified in the notice shall be transacted at such special meeting, except by unanimous consent of those present.

Section 4
Ten percent of the membership of the Club in good standing shall constitute a quorum for the transaction of business at any annual or special meeting of the members. If no quorum shall be present at any special or annual meeting, the presiding officer shall adjourn and reschedule the meeting as many times as may be necessary until a quorum is present.

Section 5
The Board of Directors shall meet at the Clubhouse for the transaction of business on the second Monday of each month at time set by the President, prior to the first board meeting in January. At that time, the Board shall determine a time for the remainder of their monthly meetings in the calendar year. The Board shall also meet at any other time at the discretion of the President or any three (3) members of the Board. Notice shall be given to each Director three (3) days before the time appointed for such called meeting.

Section 6
For any reason that makes it impractical to hold any meeting at the Clubhouse, the Board of Directors may change the place of meeting. Notice of the change of place of any annual or special meeting of members shall be given to the members at least ten (10) days prior to said meeting. In the event the location of any meeting of the Board is changed, notice of such change shall be posted on the Clubhouse door prior to the scheduled starting time of the meeting.

Section 7
A majority of Directors shall constitute a quorum at any regular or special meeting of the Board. A majority of the quorum, unless otherwise specified in the By-laws, may transact business.

Section 8
Except as otherwise noted in these By-laws, all meetings of members of the Club or the Board of Directors shall be conducted in accordance with **ROBERT'S RULES OF ORDER.**

Section 9
Whenever these By-laws specify a number or fraction of the body required to constitute a quorum or to otherwise transact business and, when computed, that number results in other than a whole number, then the resulting mixed number shall be rounded down to the lowest whole number.

ARTICLE V — ELECTION OF OFFICERS

Section 1
The board of Directors shall consist of between thirteen (13) and seventeen (17) members, each of whom shall be elected for a term of two years, which term shall begin on January 1 following the election. The current board will determine the number of positions on the following year's board. Efforts should be made to recruit board members from various demographics, including, but not limited to: age, gender and years as a member. For a person to be eligible to run for or be appointed to the Board, he or she shall have been a member of the Club in good standing for at least two (2) years prior to his or her candidacy.

Section 2
The Board of Directors may appoint a nominating committee that will be chaired the Vice President or a member of the Board designated by the Vice-President.

Section 3
The Chair or Vice-President shall name at least one (1) member to run for each vacancy on the Board of Directors and shall communicate the list of candidates so named at least twenty (20) days prior to the next Annual Meeting of the membership. Additional nominations for members on the Board of Directors may be made by petition signed by not less than twenty-five (25) members of the Club and submitted to the President not less than ten (10) days before the Annual Meeting. Names of persons nominated by petition and received prior to twenty (10) days before the Annual Meeting shall be set forth in the written notice to the members as provided for herein above. Names of all candidates will be placed on the ballot.

Section 4
(A) The election of the Board of Directors shall be by written ballot or an alternative method determined by the Board and shall be held at the Annual Membership Meeting in November. Three (3) members selected by the President shall act as tellers. Each membership shall have one vote for each vacancy on the Board of Directors. The persons receiving a plurality of the votes shall be declared elected. In the event of a tie, the Board of Directors shall determine the nominee or nominees elected.

(B) ABSENTEE VOTING—Although members are encouraged to attend the annual meeting and participate personally in the election of the Board of Directors, it is recognized that some interested members shall not be able to be present. Accordingly, any member in good standing may submit a ballot in a sealed envelope in the Clubhouse mailbox or in an alternate method as determined by the Board. Absentee voting shall be allowed until the start of the Annual Membership Meeting. The tellers shall include in their tabulation all such absentee ballots received prior to the above deadline.

Section 5
Immediately following the adjournment of the annual meeting, the newly constituted Board of Directors shall meet without notice for the purpose of electing a President who shall take office on the first day of January following his or her election. If more than one candidate presents themselves for this position, this shall constitute a vote by ballot. At

the regular January meeting, the newly constituted Board of Directors shall elect from their number a Vice-President, Secretary, and a Treasurer. If more than one candidate presents themselves for each position, this shall constitute a vote by ballot. The Secretary and Treasurer may, but need not be, members of the Board of Directors. The President, Vice-President, Secretary and Treasurer shall serve from the date of their election or appointment until the election or appointment of their successors. All other officers and appointees shall serve at the pleasure of the Board.

Section 6
(A) No person who has served one complete or full term as President shall be eligible to directly succeed herself or himself as President.

(B) No person shall be eligible to serve consecutive, full two-year terms as a member of the Board.

Section 7
Any vacancy among the officers not covered elsewhere in these By-laws shall be filled by the Board by election from its membership.

ARTICLE VI — POWERS & DUTIES OF OFFICERS & DIRECTORS

Section I — President
(A) The President shall be the chief executive officer of the Club and shall preside at all meetings of the members of the Club and at all meetings of the Board. The President shall have the privilege of attending all meetings of all standing and special Chairs of the Club but shall not be entitled to vote on any question before any such Chair. The President shall sign all written contracts and written obligations of the Club unless the Board of Directors shall, by appropriate resolution, designate another or others to execute contracts in the name of the Club. The President is responsible for ensuring all By-laws are adhered to and all board members have read the By-laws.

(B) The President shall perform such other duties as may be imposed by resolution of the Board of Directors.

Section 2 — Vice-President
The Vice-President shall perform the duties of the President in the absence of such officer. In addition, the Vice President shall perform such other duties as may be designated by either the Board or by the President. In the event a vacancy shall exist in the office of President, the Vice-President shall immediately succeed to the office of President, for the unexpired term. The Vice-President shall serve as chairperson of the Nominating Committee (see Article V, Section 2) or designate a board member to serve as chairperson of the nominating Committee. The Vice-President shall ensure the timely submittal of tax reports after review by the Treasurer as Local, State and Federal agencies require. The Vice President is responsible for ensuring all board members have read the By-laws.

Section 3 — Secretary
The Secretary shall give notice of all meetings of the members of the Club and of called meetings of the Board. The Secretary shall keep and record the minutes of all meetings, conduct the general correspondence of the Club, keep the official records of the Club and be custodian of the Corporate Seal. The Secretary shall perform such other duties as may be assigned by either the Board or by the President.

Section 4 — Treasurer
The Treasurer shall have custody of all funds, securities, valuable papers, and other intangible assets of the Corporation. All key documents should be maintained electronically in a shared location. Access should be limited to board members and delegates; the Treasurer shall maintain full and complete financial records. At each regular meeting of the Board, the Treasurer shall submit a statement of the financial condition of the Corporation as of the last day of the previous month. He or she may engage an outside party to prepare; if qualified such tax reports as Local, State and Federal agencies require with the Boards approval. The Treasurer is responsible for preparing the annual budget and any necessary reporting. The Treasurer position does not need to be a board member. While in office, the monthly dues of the Treasurer shall be waived.

Section 5
Each Director shall be appointed to one or more standing Chairs by the President and shall discharge the responsibilities of said Chair as set forth in these By-laws.

ARTICLE VII — STANDING CHAIRS

Section 1

Wherever "Chair" is used in these By-laws, it shall refer to one or more Directors as may be appointed by the President to serve as the Chair of position. Each Chair shall review their annual budget with the previous Chair, as proposed by the Treasurer.

Section 2
A Budget and Finance Chair shall be appointed by the President from among the Directors, if the President deems it is necessary. This Chair shall support the Treasurer in preparation of the annual budget. From time to time, this Chair shall assist in the preparation of reports as, in the opinion of the Directors, be necessary or desirable to present the financial condition of the Club and to track its expenditures against the annual budget.

Section 3
A Pool Maintenance Chair shall be appointed by the President from among the Directors. The Pool Maintenance Chair shall be responsible for the chemical and mechanical maintenance of the pools as well as the area within the fences surrounding the pools. The Pool Maintenance Committee Chair shall also be responsible for hiring and supervising such personnel as may be determined to maintain the safe and efficient operation of the pools. Further, the Pool Maintenance Chair shall be responsible for ensuring that the pools meet all regulatory requirements, including the annual pool permit and Manager of Pool Operations.

Section 4
A Pool Personnel Chair shall be appointed by the President from among the Directors. The Pool Personnel Chair shall be responsible for hiring and supervising pool managers and lifeguards. Further, the Pool Personnel Chair shall be responsible for ensuring that all regulatory requirements are met and that safety personnel are properly accredited and registered with appropriate agencies. In addition, the Pool Personnel Chair shall be responsible for stocking and maintaining the concession stand. The Chair will be responsible for managing reservations (pavilion rentals) within the pool grounds, outside the house.

Section 5
A Sports Activities Chair shall be appointed by the President from among the Directors. This Chair shall oversee and coordinate all sports activities at the Club including acting as the liaison with the youth swim team.

Section 6
An Adult Activities Chair shall be appointed by the President from among the Directors. This Chair shall coordinate all social activities sponsored by the Club for the benefit of its adult members.

Section 7
A Youth Activities Chair shall be appointed by the President from among the Directors. This Chair shall oversee non-sport activities sponsored by the Club for the benefit of its young members.

Section 8
A House Chair shall be appointed by the President from among the Directors. This Chair shall be responsible for the maintenance of the interior of the Clubhouse. In addition, this Chair shall coordinate any rental of the Clubhouse as authorized by the Board.

Section 9
A Grounds Chair shall be appointed by the President from among the Directors. This Chair shall be responsible for the maintenance of all Club property except the pools and Clubhouse interior as provided elsewhere in the By-laws. In addition, this Chair is responsible for the purchase of such supplies as may be used in the maintenance of Club property and shall coordinate any workdays related to the upkeep of the property. Grounds chair will be responsible for all waste management.

Section 10
A Membership Chair shall be appointed by the President from among the Directors. It is the responsibility of the Membership Chair to recruit new members, present new member applications to the Board for approval, maintain accurate records of past and present members and recruit and coordinate the activities of Block Workers.

Section 11
A Community Liaison Chair shall be appointed by the President from among the Directors. This Chair shall promote activities and actions for the general welfare of the Sparkman geographic area as it relates to city services, police services (including Sparkman Patrol), DISD services, and security. In addition, this Chair will obtain the necessary permit for the 4th of July Parade and ensure all requirements of that permit are met.

Section 12
The President is authorized to appoint such other Chairs as shall be deemed necessary or expedient for the welfare of the business of the Corporation. Chairs shall be approved by the Board at the time of appointment or at the next regular Board meeting.

Section 13
Any Chair may appoint advisory sub-committees from among members of the Club.

ARTICLE VIII — PROPERTY AND FINANCES

Section 1
The Corporation is not authorized to contract for any obligation in excess of its unobligated liquid assets, unless approved by 75 percent of the regular membership in good standing at the time. **This section of the By-laws MAY NOT BE ALTERED.**

Section 2
Any obligation or expenditure of the Corporations assets requires the approval of the Board.

Section 3
Tangible property of the Club may be transferred only after two-thirds vote of the Board has approved the transfer.

Section 4
All disbursements of funds of the Corporation shall be linked to documentation for the purpose of expense and approval. All expenditures must be paid by authorized signers of the Club bank accounts.

Section 5
The accounts of the Corporation shall be periodically audited as determined by the President. Review should ensure accounts are maintained in accordance with the By-laws and audited according to generally accepted accounting principles. This should be performed by an Independent Certified Public Accountant or club members appointed by the President, who will perform an audit in accordance with Generally Accepted Audit Standards; such Committee to issue a report similar in nature and scope to the Audit Report issued by a Certified Public Accountant, but it will not contain the statement provided by the CPA representing their professional certification. The Audit Committee should only be used if the President feels they can find persons capable of performing an adequate and complete review of the Corporation's activities in accordance with an audit guide to be provided to the Audit Committee by the Board of Directors.

Section 6
The Club shall maintain and fund the following accounts under the supervision of the Treasurer:

(A) **OPERATING ACCOUNT**: The Club shall maintain one (1) or more accounts for the purpose of paying its accounts payable. The Operating Account shall consist of funds budgeted for the purpose of paying recurring expenses incurred in the normal operation of the Club. These accounts shall include at least one (1) checking account and may, at the discretion of the President, include one (1) or more interest-bearing accounts for the purpose of holding budgeted funds at interest until the debts for which they are budgeted become, in the sole opinion of the Board, due and payable.

(B) **EMERGENCY RESERVE ACCOUNT**: The Club shall maintain and fund an Emergency Reserve Account as required by Article IX of these By-laws.

(C) **CAPITAL ACCOUNT**: The Club shall maintain one (1) or more accounts collectively denominated "Capital Account" to accumulate funds for the purchase of new fixed assets which could reasonably be expected to have a useful life of one (1) year or more as well as for the major repair of replacement of such fixed assets. Funds in the Capital Account shall be held in one (1) or more accounts at interest until such time as they may be required for making such purchases or repairs as herein before described. Eighty percent of the initiation fee charged by new members plus twenty-four (24) percent of the actual income received from members as dues shall be allocated to the Capital Account. In addition, all income not budgeted either for operating expense, or the Emergency Reserve Account should be moved to the Capital Account upon board approval. In the event operating expenses are incurred which are in excess of funds budgeted therefore, the Treasurer, with the concurrence of the President may transfer funds from the Capital Account to the Operating Account. If the amount exceeds $5000, the President shall obtain the affirmative vote of a majority of the Board members eligible to vote at a regular or special meeting of the Board authorizing such transfer.

Section 7
The Club shall maintain a Long-Range Capital Plan for the purpose of addressing major maintenance and repair projects, as well as improvements to the fixed assets of the Club. The Budget and Finance Chair or Treasurer shall be responsible for maintaining the Long-Range Capital Plan and shall include a review of current Designated Projects in their report at the Annual Meeting.
PLAN CONTENT: The Capital Plan shall consist of three sections:

(A) **Proposed Projects**: Projects may be voted into, amended, or removed from the proposed section by a majority vote of the Board of Directors. In order to be voted upon, the following information must be provided for the project: Description of the Project, Reason/Justification, Estimated Cost, Source of Cost Estimate, Drawing or Sketch (if appropriate), and relative importance (must do/need to do/want to do). Proposed projects are not binding in nature.

(B) **Designated Projects**: Projects may be voted into, amended, or removed from the designated section at any regular meeting by a three-fourths vote of the Board of Directors; provided, however, that written notice of such vote shall be given in writing to the members of the Advisory Chair five (5) days prior to the meeting. In order to become a Designated Project, the information required for a Proposed Project must be provided, a minimum of one (1) formal quotation, along with a Funding Model detailing the Target Completion Date and Dollar Contribution per Year required from affected Boards. Designated Projects become binding on future Boards. No project may be voted into designated unless funding will be in place to pay for the project.

(C) **Completed/Canceled Projects**: As projects become completed or voted out of the other sections, their documentation will be moved to the Completed/Canceled Section. This will provide a historical record of capital projects separated from and in addition to any records maintained by the appropriate Chair.

(1) **DESIGNATION OF FUNDS**: When a Designated Project's Funding Model extends beyond the current year, thereby binding future Boards to provide funds, the Treasurer shall establish and maintain a line-item entry for that Project under the category "Designated Funds" and report these items on the monthly financial reports. Designated Funds are not available for expenditure on items other than those for which they are designated. Should a Designated Project be canceled by a three-fourths vote of the Board, any funds currently designated for that Project shall revert to the Capital Account.

(2) **ADVISORY COMMITTEE**: The President shall appoint a Long-Range Capital Plan Advisory Committee each year. The Committee's function shall be to act in an advisory role to the current Board with regard to Capital Expenditures.

(a) The Committee shall be comprised of the following:
− The President of the Board of Directors
− Budget and Finance Chairperson
− Combination of Immediate past Presidents of the Board, or past Treasurers, subject to their ability and willingness to serve
− Other Club members in good standing, whose number may not cause the total Committee membership to exceed seven (7) persons.

(b) The Committee shall meet a minimum of once per year for the purpose of reviewing the current Long Range Capital Plan and advising the Board of suggested additions/changes. Additional meeting may be called at the discretion of the President. There shall be no successive term limitations on members of the Advisory Committee.

ARTICLE IX — EMERGENCY RESERVE ACCOUNT

Section 1
The Club shall maintain an Emergency Reserve Account. The Account shall be available to provide supplemental financing in addition to insurance proceeds, if any, for the repair or replacement due to damage or decay which might befall the fixed assets of the Club.

Section 2
The Emergency Reserve Account may not accumulate funds in excess of the calculated amount adjusted annually by the same ratio that the R.S. Means Construction Cost Index of Dallas bears to the same index for 1990 (1990=84.5). The index was reconfirmed as valid in 2024. The Treasurer shall, as soon as practical after January 1 of each year, obtain the R.S. Means Construction Cost Index for Dallas from the Dallas Chamber of Commerce, compute the maximum amount of the Emergency Reserve Account for said new year, announce said maximum at the next regular Board Meeting and cause said maximum to be published within the minutes of said Board Meeting. The reserve account should be funded quarterly in line with the funding of the Capital Account.

Section 3
The Emergency Reserve Account shall derive its funds from:

(A) Any allocation of funds by the Board from the General Operating Account, provided however, that if the total of funds in the Emergency Reserve Account is depleted to less than the maximum computed as provided in Section 2 of this Article, at least two percent of the dues collected shall be credited to the Emergency Reserve Account during said calendar year and each succeeding calendar year until the Emergency Reserve Account is funded to its maximum level as provided by this article, and

(B) Twenty percent of the initiation fee charged new members.

(C) In the event the balance in the Emergency Reserve Account is depleted to less than seventy-five percent of its current calculated maximum amount as computed in Article IX, Section 2, then an additional four percent of the dues (six percent total) shall be credited to the Emergency Reserve Account during each succeeding calendar year until the Emergency Reserve Account has been funded to seventy-five percent of its then current calculated maximum as provided by this Article.

Section 4
No more than fifty percent of the Emergency Reserve Account shall be expended for the repair of replacement if any fixed asset and before any such expense can be authorized the Board must be determined:

(A) The condition of the fixed asset in question has deteriorated to such a state that in the opinion if the majority of the members of the Board, as expressed by the affirmative vote of least three-fourths of the members thereof, the condition of said fixed assets constitutes a hazard to the health or safety of the members and their guests or constitutes a danger to the physical condition of other fixed assets of the Club.

(B) The loss, deterioration or damage is determined to be in whole or part an uninsured loss.

(C) In the event the deterioration of damage which meets the aforesaid requirements shall require an expenditure which is greater than fifty percent of the then current balance in the Emergency Reserve Account, the President shall call for a general meeting of the members to seek their approval for such expenditure. An affirmative vote of two-thirds of the members present and voting shall be required before such expenditure may be made.

ARTICLE X — GENERAL

Section 1
All powers, authority, duties and functions of the members, directors, officers, and employees of the Corporation shall be exercised in strict conformity with applicable provisions of Law and Regulation, and of the Charter and By-laws of the Corporation.

Section 2
(A) Any Director of the Corporation may be removed from the Board by affirmative vote of two thirds of the voting members present at a special meeting of membership called for that purpose, but only after an opportunity has been given to that person to be heard.
(B) Any Board member who is an officer of the Corporation may be removed from office, but not from the Board, by affirmative vote of two-thirds of the Directors present at a regular meeting or a special meeting of the Board of Directors, but only after an opportunity has been given to that person to be heard.
(C) In the event the Secretary or Treasurer is not a Director of the Corporation, that person may be removed from office by affirmative vote of two-thirds of the Directors present at a regular meeting or a special meeting of Board of Directors, but only after an opportunity has been given to that person to be heard.

Section 3
When any officer is absent or otherwise unable to perform the duties of that office, the Board of Directors may by resolution designate another member of the Board of Directors to act temporarily in his/her place.

Section 4
Copies of the organization papers of the Corporation, its By-laws and any amendments thereto, and the transfer books of the Corporation shall be preserved in a place of safekeeping. Returns of elections and proceedings of all meetings of Directors and members shall be recorded in the minutes' book.

Section 5
Absence of a member of the Board of Directors for three (3) consecutive regular meetings without prior consent of the President shall be deemed an automatic resignation. Resignations of an unexpired term of six (6) months or less shall

be filled by Presidential appointment. Resignations of unexpired terms of over six (6) months shall be filled by a simple majority vote of the Board of Directors at the regular meeting following the notice of resignation.

ARTICLE XI — AMENDMENT OF BY-LAWS

Section 1
The Board of Directors may alter or repeal By-laws or adopt new By-laws at any regular meeting by an affirmative vote of three-fourths of the Board of Directors; provided, however, that written notice of such proposed alteration or amendment shall be given five (5) days prior to the meeting; provided further that the Board of Directors shall make or alter any By-laws fixing their qualification, classification, term of office or compensation. Notice of any amendment of the By-laws by the Board of Directors shall be given to members within the next regular edition of the Club newsletter or in writing within ten (10) days after adoption thereof.

Section 2
Any By-laws of the Club may be altered or repealed, and new By-laws may be adopted by affirmative vote of three fourths of the members entitled to vote at an Annual Meeting or at a special meeting called for that purpose; provided, however, that all proposed amendments shall be mailed to all members at least fifteen (15) days prior to the Annual Meeting or any called meeting.