

BY-LAWS OF SPALDING WOODS CLUB, INC.

ARTICLE ONE

NAME

The Name of this Corporation shall be “Spalding Woods Club, Inc.”

ARTICLE TWO

PURPOSE

The purpose for which this Corporation is formed is to promote the health and social welfare of its members and in pursuance thereof to construct, own and operate a swimming pool and other recreational facilities, together with such incidental objects as are appropriate in the conduct of its activities, in the County of Fulton and the State of Georgia for the exclusive use of its members and their families.

ARTICLE THREE

MEMBERSHIP

Section 1. Eligibility for Membership

Eligibility for membership is limited to one member of each family (homeowners) residing within the boundaries as defined by the Board of Directors.

Section 2. Application for Full Membership

(a) Any person desiring to become a member of the Corporation shall submit to the Board of Directors a deposit in an amount determined by the Board of Directors, which amount shall not be less than \$25.00, and an application for membership. The application shall be in such form as the Board of Directors shall prescribe, shall state that the applicant agrees to abide by the rules and By-Laws of the Corporation, and shall be signed by the applicant. The Board shall consider all applicants in chronological order according to the date of the application.

(b) In the event that the application is rejected, the applicant’s deposit shall be returned. In the event that the application is accepted, the Board shall notify the applicant of such acceptance and the applicant shall, not later than two weeks after the date of the notice of acceptance, pay all current fees, dues and assessments less the deposit which accompanies the application.

(c) Upon timely payment of all current fees, dues and assessments required by Section 2(b) of this Article Three, the applicant shall become a member of the Corporation. In the event that the applicant fails to pay the amount specified in Section 2(b) of this Article Three

within two weeks after the date of notice of acceptance, the Board of Directors shall consider that the applicant does not wish to become a member and applicant's deposit is forfeited.

Section 3. Charter Membership

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Section 4. Good Standing - Full Membership

A member shall be in good standing in any year if the member has paid all fees, dues, penalties and assessments for the current year and for all previous years during which he has been a member. The fiscal year of this Corporation is November 1 to October 31. Dues are payable on January 1 unless an extension of time is granted by the Board of Directors; any such extension must be uniformly applied to all members. Unless otherwise provided in the Charter or in these By-Laws, any person who is a member of the Corporation shall in any year have the rights specified in Section 5 of this Article III only upon becoming a member in good standing for that year.

Section 5. Rights and Privileges of Full Membership

(a) Every member in good standing shall be entitled to one vote in the affairs in the Corporation. Any member in good standing who is unable to attend the meeting of the Corporation may vote by proxy, provided that such proxy be in writing and delivered to the Secretary of the Corporation before or at such meeting.

(b) Every member in good standing, his family and guests shall be entitled to use the facilities of the Corporation under such rules as the Board of Directors shall prescribe. Every member shall be responsible for the conduct of his family and guests.

Section 6. Certificate of Full Membership

Membership in this Corporation shall be evidenced by a certificate of beneficial interest which shall represent the interest of the holder in the net assets of this Corporation upon liquidation; provided, that the interest of any member shall be reduced by the aggregate amount of fees, dues, and assessments owed to the Corporation by such members as represented on the books of the Corporation.

Section 7. Termination and Transfer of a Full Membership

(a) Any member may request termination of membership and repurchase by the Corporation of the member's certificate upon written notification of such request to the Board of Directors. Upon receipt of such request the Board of Directors shall terminate said membership and purchase the member's certificate at the current price of the share as determined by these By-Laws and represented by the certificate less any allowance owing to the Corporation by such member, upon the following terms and conditions, to wit:

(i) The member shall be responsible for and shall have paid all amounts owing to the Corporation including the dues and any penalties thereon for the fiscal year in which the request for termination was received by the Corporation. Any amount owing to the Corporation and remaining unpaid shall be deducted from the repurchase price paid by the Corporation to said member.

(ii) The said member shall not be required to pay dues subsequent to the receipt of written notice of termination by the Board of Directors except dues for the fiscal year in which said notice was received.

(iii) The Board of Directors shall not be required to repurchase said certificate until such time as an acceptable membership application of a new member is accepted by the Board of Directors and such new member has paid the initiation fee, current dues, fees and assessments, and that such application is the next in line chronologically with applications for memberships and requests for termination.

(iv) The Board of Directors shall rebate to the member whose membership has been terminated under this section an amount represented by a proration of dues for the fiscal year of termination equal to the prorated amount per quarter upon payment of said amount by the new member as accepted under subject iii above.

(b) A membership is not transferable except as provided herein. In the event a member changes his place of residence, he may transfer his membership only to the purchaser of his former residence (hereafter referred to as the “Transferee”). Any member who elects so to transfer shall first give notice to the Board of Directors of his intention to transfer, which notice shall be accompanied by:

(i) the member’s certificate and affidavit,

(ii) the transferee’s application, initiation fee, current fees dues and assessments and

(iii) all past fees, dues, and assessments which are owed to the Corporations by the Transferor. The Board of Directors shall then issue a new certificate of membership to the transferee if it finds that the transferee is eligible for membership under the terms of Section 1 of this Article Three.

(c) Upon resignation, a member’s certificate of membership will be placed on a list of those available for sale in chronological order of the specified date of resignation, or in date of Post Office Cancellation if the date of receipt is after the effective date of resignation specified. Memberships are thereafter repurchased as provided in Section 7(a) of this Article 3. A member may receive the redemption value of their membership directly, regardless of the chronological order of their membership on the list of those for sale, if they refer an applicant for membership and said applicant, upon acceptance by the Board, fulfills all requirements for membership within 60 days of referral.

(d) In the event of unusual circumstances, wherein a member must be temporarily absent from his residence, the member may apply to the Board of Directors for special

consideration allowing the temporary user of the member's residence the privilege of his membership. This application is for twelve (12) months and must be reviewed by the Board annually. At all times the member will be responsible for all dues, fees and assessments.

(e) A membership record shall be established and maintained by the Treasurer of the Corporation. All of the circumstances of memberships, including new memberships, terminations, transfers, and reductions in interest, shall be recorded in the record. Such records shall be conclusive as to the validity of any membership and as to the amount of interest represented by any certificate.

Section 8. Dues and Assessments - Full Memberships

(a) Dues shall be set by the Board of Directors, and shall be payable annually. Any dues not paid in full within 30 days of the date due, as prescribed in Section 4 of this Article Three, shall be subject to a penalty of 5% per month up to a maximum of 15% of the balance due. Dues not paid in full within 90 days of the date due shall result in loss of that member's good standing. Unpaid dues shall be deducted from a member's equity as provided in Section 6 of this Article Three. No dues or part thereof shall be refunded in the event that operations of the Corporation are required to be suspended for any reason.

Current dues will be rebated to a member who voluntarily terminates his membership, provided his membership is sold and pro rata dues are collected from the new member, (on a one-fourth basis for each full fiscal quarter unused.) No dues or part thereof shall be refunded upon termination or suspension of membership.

(b) The Board of Directors may terminate the membership of any member whose membership fees and dues are unpaid after a period of 90 days. Such member shall forfeit his or her certificate and any interest in the Corporation to which he or she was previously entitled.

(c) Assessments may be established from time to time by the membership. No assessments shall be levied against the members except by the affirmative vote of two-thirds of the members present or represented by proxy at any annual or special meeting. Any member may avoid the payment of his proportionate share of any assessment by electing to forfeit his membership together with all of the rights and privileges thereof, and by surrendering his certificate of membership to the Board of Directors.

Section 9. Associate Memberships

(a) Associate Members shall have usage of Club facilities only. Associate Members have no voting rights, are not full members of the Corporation, and have no interest in the assets of the Corporation.

(b) The total number of Associate Members of the Corporation shall not exceed seventy-five (75) at any time and from time to time.

(c) Associate memberships are good only for the Club year in which membership begins. There is no pro ration nor refund of dues. Associate members must reapply for such

membership on an annual basis. The Board shall consider all applicants in chronological order according to the date of receipt of the application, up to the maximum number of associate memberships allowed.

(d) Application procedures and fees, as outlined in Article 3, Section 2(a) and (b), shall also apply to associate memberships.

(e) The dues for associate memberships shall be established by the Board of Directors in accordance with Article 3, Section 8(a).

Section 10. Expulsion of Members

Any member may be expelled and any member of his family may be denied use of the Corporation's facilities for acts and conduct prejudicial to the interest of the Corporation and the members thereof. Any member may be removed from the membership by a majority vote of the members present at any annual meeting or at any special meeting of the members called for the purpose of considering conduct deemed prejudicial to this Corporation, provided that such member shall have first been served with written notice of the accusations against him and shall have been given an opportunity to produce such witnesses, if any, and to be heard at the meeting in which such vote is taken. Upon expulsion the membership and certificate of same member shall be forfeited together with all rights and interests in this Corporation and its property. The determination of the members shall be final in this respect.

Section 11. Reciprocal Use Agreements

The Board is authorized to negotiate reciprocal use agreements with other clubs in the area to provide for limited use of facilities at fees to be mutually agreed upon for periods not to exceed six months.

ARTICLE FOUR

MEMBERSHIP MEETINGS

Section 1. Annual Meeting

The annual meeting of the members shall be held each year at such time and place as the Board of Directors shall designate.

Section 2. Special Meeting

A special meeting of all members shall be called by the President at the written request of 25% of the members, or by an affirmative vote of a majority of the Board of Directors.

Section 3. Notice of Meeting

At least 10 days before the date of any annual or special meeting of the members, the Secretary shall cause written or verbal notice thereof to be delivered or mailed to each member at

the address appearing for such member on the records of the Corporation. The notice shall, in the case of a special meeting, specify the business to be transacted.

Section 4. Quorum

A majority of the Board of Directors (in person) plus 25% of the remaining members (in person or by proxy) shall constitute a quorum for any annual or special meeting. A member may vote in person or by written proxy.

Section 5. Record Date

Ten days prior to any annual or special meeting, the member's list of the Corporation shall be closed and the list of members eligible to vote shall be made up.

ARTICLE FIVE

GOVERNMENT

Section 1. Board of Directors

The Corporation shall be managed by a Board of Directors, twelve in number. The Directors shall be elected from the membership of the Corporation, within the limits of Section 1 of Article Three, at the annual meeting of the members. In addition, the immediate past president, if his term on the Board has expired, will be an ex-officio member of the Board without a vote.

Section 2. Term of Directors

All elected directors serve a three-year term and may, upon approval of the Board, be nominated to succeed themselves.

Section 3. Vacancies

When a vacancy occurs on the Board of Directors, such vacancy shall be filled by the remaining directors for the unexpired term of the vacancy. Any director appointed in this manner, who serves eighteen (18) months or more, may not succeed himself.

Section 4. Nominating Committee

At least thirty days prior to the annual meeting, the Board of Directors shall appoint a Nominating Committee which shall propose members of the Corporation for election to the Board of Directors. The Nominating Committee shall present its selection to the members at the annual meeting. Other nominations may be made from the floor at the annual meeting.

Section 5. Solicitation of Property

In the event that any administration of the Spalding Woods Club is approached, or attempts voluntarily to solicit the sales of the properties owned by Spalding Woods (a corporation), a ballot vote of three-fourths of the active members is required for its approval.

ARTICLE SIX

MEETINGS AND DUTIES OF DIRECTORS

Section 1. Meetings

The Board of Directors shall establish the time, place and frequency of its regular meetings. Special meetings may be called by the President, or any three (3) Directors, by giving five days' written or oral notice to each Director. A majority of the directors shall constitute a quorum. The President shall preside over regular and special meetings of the Board.

Section 2. Attendance

Meetings shall be held at reasonable times and places. A Director who misses one-half of the regular and special meetings within a year shall be replaced at the end of that year.

Section 3. Duties

It shall be the duty of the Directors to control and manage the business of the Corporation. Their authority shall extend to, but not be limited to, such actions as:

- (a) Publishing and enforcing house rules for the use of the Corporation's facilities;
- (b) Establishing annual dues, membership fees, initiation fees, and the size of membership for any year;
- (c) Adopting rules concerning the admission of guests and the charges, if any, to be levied upon members who invite such guests for any year;
- (d) Accepting or rejecting proposed members by ballot;
- (e) Determining the operating schedule of the Corporation's facilities;
- (f) Hiring and terminating the services of any persons employed by the Corporation;
- (g) Preparing and submitting to the members a financial report at the annual meeting;
- (h) Authorizing the incurring of obligations and the payment of such obligations;
- (i) Naming an audit committee or otherwise providing for competent audits of the Corporation's books and records at least annually;

(j) Determining reasonable rates of depreciation and adopting a reasonable plan for replacement of depreciable assets;

(k) Electing offices to fill vacancies;

(l) The Board of Directors shall designate the bank or banks in which the funds of the Corporation shall be deposited and determine the manner in which checks, drafts, and other instruments for payment for funds for the Corporations shall be executed. However, the Board of Directors shall always require that the Treasurer and President or Vice President or Secretary sign all such checks, drafts, or other instruments for payment of money drawn in the name of the corporation, except that checks in an amount less than \$1,000.00 or payments made under contractual obligation may be signed by the Treasurer only.

ARTICLE SEVEN

OFFICERS

Section 1. General

The officers of the Corporation shall be a President, a Vice President, a Treasurer, and a Secretary, all of whom shall be elected by the Board of Directors from its own membership at its annual meeting to be held between the third week in October and the end of November.

Section 2. President

The President shall preside over all meetings of the members and the Board of Directors. He shall perform such other duties as customarily pertain to the Office of the President, or as he may be directed to perform by resolution of the Board of Directors. The President shall serve as agent for any service of process for the Corporation.

Section 3. Vice President

The Vice President shall have and exercise all the powers, authority, and duties of the President during the absence of the latter, or in his inability to act.

Section 4. Treasurer

The Treasurer shall have custody of all funds, securities, fiscal papers, and other intangible assets of the corporation. He shall collect the revenues of the Corporation and pay its bills as authorized by the Board of Directors. He shall provide and maintain full and complete records regarding the membership of the Corporation as prescribed in Section 7(d) of Article Three hereof. He shall prepare and submit at each regular meeting of the Board of Directors a financial statement of the condition of the Corporation as of at least the last day of the preceding month. He shall prepare such tax reports as local, state, and federal agencies may require. The Treasurer shall be bonded to the extent deemed appropriate by the Board of Directors.

Section 5. Secretary

The Secretary shall keep the minutes of all meetings and shall give required notice of all meetings. He shall have custody of all books, records, and papers except those in the possession of the Treasurer.

Section 6. Reimbursement

Officers and Directors may be reimbursed for reasonable out-of-pocket expenditures made on behalf of the Corporation but shall not be otherwise compensated.

Section 7. Vacancies

Vacancies among the officers shall be filled by the Board of Directors.

ARTICLE EIGHT

COMMITTEES

The President shall appoint such standing and special committees as may be deemed necessary. All committees shall be under the supervision of the President, subject to the authority delegated by the Board of Directors.

The standing committees will each consist of at least one Director and at least two members that are not Directors.

ARTICLE NINE

AMENDMENTS

Amendments to these By-Laws shall be adopted by the affirmative vote of a majority of the members present, or represented by proxy, at a duly held general meeting; provided, that the text of such proposed amendments be mailed to the members ten days prior to the meeting.