

**BY-LAWS OF THE
SHADOW OAKS RECREATIONAL ASSOCIATION**

A NONPROFIT CORPORATION

HOUSTON, TEXAS

(Amended and Restated: May 14th, 2016)

ARTICLE I – NAME

The name of the Organization shall be The Shadow Oaks Recreational Association, Incorporated as provided in the Articles of Incorporation.

ARTICLE II – PURPOSE

The purpose for which the SORA is formed is to promote the health and general 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 City of Houston, Texas, for the exclusive use of its Members and their families.

ARTICLE III – MEMBERS

1. Membership shall have a maximum of 300 Stock-holding Members
2. Membership shall have a maximum of 50 Non-Stockholding Members.
3. Each member must be resident living within the following boundaries:
 - a. South – Memorial Drive
 - b. West – Highway 6
 - c. North – Clay Road
 - d. East – Post Oak Road
 - e. North East – Hempstead Road
4. No more than 10 members may move outside these boundaries and retain their membership
5. In addition to clause 4 above up to 10 additional members may live outside the boundaries as long as they have been proposed by an existing member of good standing and approved by a simple majority vote of the Board of Directors as defined in Article V, Clause 12.
6. The privileges of membership shall extend to each member and the members family that is permanently residing in such residence as defined in Clause 13 of this Article.
7. **Election of Members:** New members must be approved by the Board of Directors. An affirmative vote of two-thirds of the Directors shall be required for approval.
8. **Voting Rights:** Each Stock-holding member, except delinquent, or suspended memberships shall be entitled to one vote on each matter submitted to a vote of the members
9. **Termination of Membership:** The Board of Directors, by affirmative vote of two-thirds of all the members of the Board, may suspend or terminate the membership of any member of SORA who becomes ineligible for membership or who shall be in default in the payment of dues for the period fixed in Article XIII of these bylaws. See also the provisions in this article – Article III, Section 11.
10. **Resignation of Membership:** Any member may resign in writing to the membership secretary, but such a resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid. The resigning member shall along with the written resignation, surrender such members' stock certificate or a notarized indemnity of loss certificate.

11. **Reinstatement:** Upon written request signed by a former member and filed with the secretary or designated director, the Board of Directors may, by the affirmative vote of two-thirds of the members of the Board, reinstate such former member to the membership on such terms as the Board of Directors may deem appropriate.

12. **Transfer of Membership:** Membership in this corporation is not transferrable or assignable except to persons approved to membership by the Board of Directors. No member of the corporation shall advertise or permit his/her membership to be advertised for sale. Any member violating this Section of the bylaws shall be guilty of conduct injurious to the best interests of this corporation and for such conduct the member may be disciplined by the Board of Directors or his/her membership terminated by them.

13. **Stock-Holding Membership** shall consist of family units including all regular members of the household. All children shall be eighteen years of age or younger with the exception of students actively enrolled in further education, which shall be considered eligible until the age of 25 and all legal dependents living at that household.

- a. A stock certificate shall be issued upon request by the stock-holding member by **SORA** and purchased from **SORA**, private sale or transfer of membership between individuals. Any stock certificates not issued or requested will have the same rights as issued stock certificates as if they had been physically issued.
- b. Annual dues are due by April 1 and are considered delinquent after May 1 which may incur an administrative charge after this date.
- c. No family member of a Stock-Holding Membership may use the **SORA** facilities until the annual dues are paid.
- d. Any Stock-Holding Membership not having paid dues in full by July 1 of the current swim season will have their membership revoked after ten (10) days written notice by certified mail to the last known address of the member.
- e. Any Stock-Holding Membership revocation will automatically cancel any issued stock certificate.
- f. The Board of Directors will establish the amount of the dues for Stock-Holding Membership by February 1 prior to the start of the new swim season.

14. **Non Stock-Holding Membership:** The Board of Directors may offer Non Stockholding Memberships which may change from year to year, and will be established by February 1 prior to the start of the new swim season.

- a. Non stock-holding members will not be issued a stock certificate, nor will they be eligible to request one.
- b. Non stock-holding members will have no voting rights at any meeting of **SORA**
- c. Non stock-holding members will have no ownership rights in **SORA**
- d. Non stock-holding membership entitles the individual to the full use of the **SORA** facilities and participation in all **SORA** activities for the swim season only. This does not include participation in the swim team.
- e. The Board of Directors will establish the amount of the dues for Non Stock-Holding Membership by February 1 prior to the start of the new swim season.

15. **Non-Liability of Members:** The members shall not be personally liable for the debts, liabilities, or obligations of the corporation.

16. **Use of the facility**

- a. All stock-holding and non stock-holding members in good standing of **SORA** shall be accorded the facilities of **SORA**, subject to the pool rules and regulations, which shall be posted at all times at the pool.
- b. **SORA** will permit children of members to use the swimming facilities of **SORA**, subject to the pool rules and regulations, which shall be posted at all times at the pool.

- c. The board of directors shall establish the terms and conditions upon which guest(s) of the members may use the facilities of **SORA** and post them on the **SORA** website and at the **SORA** facilities.
- d. A member or a member's sponsored group may rent the **SORA** facilities for private parties during times other than normal pool hours.
- e. A member or a member's sponsored group may rent the **SORA** facilities for private parties during normal pool hours with the written permission of three board members. Written consent may be given in letter format or email.
- f. Members who sponsor a group or hold events shall remain responsible for clean up and any wear and tear on the facilities.
- g. The Board of Directors may agree a deposit no greater than the cost of rental of the facilities at the time of renting the pool for a private party and will only return said deposit once the Board of Directors are satisfied that the facilities are clean and undamaged
- h. The board of directors shall establish rates and fees for private party facility use.
- i. The pool manager or assistant manager will be present at all times during any private party.
- j. No firearms shall be permitted on the **SORA** property.
- k. Any property of **SORA** broken or damaged by a member or their guest shall be promptly paid for by such member, with reasonable wear and tear excluded.
- l. No member or person shall remove any article belonging to **SORA** without prior written approval of the Board of Directors.
- m. **SORA** assumes no responsibility and the members or their guest have no claim against **SORA** for the property of any member or guest which may be brought into or left in a **SORA** building or on the grounds.
- n. **SORA** assumes no responsibility, and members or their guest have no claim against **SORA**, for any accident or injury to any person or their property.
- o. **SORA** shall not be controlled by or under common control with any other organization.

ARTICLE IV – MEETINGS OF MEMBERS

1. **Regular Meetings:** There shall be a minimum of two (2) regular meetings of the membership
 - a. There shall be a general meeting prior to the opening of the pool for the current swim season
 - b. There shall be an annual meeting at the end of the swim season. The annual meeting will be an election meeting. The Board of Directors will report to the membership:
 - a.i. The current financial position of SORA
 - a.ii. Condition of the facilities and the winterizing plans
 - a.iii. Nominating committee slate of candidates
2. **Special Meetings** Special Meetings may be called by the President, the Board of Directors, or upon the written request of not less than one-tenth of the members having voting rights to the secretary, stating the purpose thereof.
3. **Place of Meeting:** The Board of Directors may designate, within the area defined for membership eligibility, the place of meeting for any regular or special meeting of members called by the Board of Directors. If no special meeting place is designated, the meeting shall take place at the SORA pool grounds.
4. **Notice of Meetings**

- a. The newly elected Board of Directors will establish the date of the regular meetings by December 31 which will be reflected in the minutes of the board meeting
 - b. Written or printed notice stating the place, day and hour of any meeting of members shall be delivered, either personally or by mail or electronic mail, to each member entitled to vote at such meeting, not less than two (2) weeks nor more than five (5) weeks before the date of such meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting.
 - c. The subject matter of all items to be voted upon at the meeting shall be identified in the Notice.
 - d. Notice may be delivered personally, which shall be deemed the time of delivery.
 - e. If mailed, the Notice of a meeting shall be deemed to be delivered three days after the Notice was deposited in the United States mail addresses to the member at his or her address as it appears on the records of the corporation, with sufficient postage attached.
 - f. If sent by electronic mail, delivery shall be deemed to have occurred at the day and time of the notice being sent.
5. **Quorum:** Members holding Fifteen (15) percent of the votes entitled to be cast or a minimum of fifteen (15), whichever is greater, represented in person or by proxy, shall constitute a quorum. The vote of the majority present, or represented by proxy, at a meeting at which a quorum is present, shall be the act of the members meeting, unless a greater number is required by law, the articles of incorporation or the bylaws. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time and reset pursuant to **Article IV Notice of Meetings**.

ARTICLE V – BOARD OF DIRECTORS

1. The affairs of the corporation shall be managed by its Board of Directors. Directors must be Stock-Holding members of the corporation in good standing
2. The number of Directors of this corporation shall be no less than nine, and may from time to time number ten.
3. The members of the Board of Directors shall be the officers of SORA, the immediate past president, the chairperson of the membership committee and two members at large.
4. The President will nominate a Parliamentarian and Membership Committee Chairperson for the newly elected officers to approve by a simple majority vote of the Board of Directors as defined in this Article, Clause 12
5. The term of the Board of Directors upon election at the annual meeting shall be November 1 to October 31
6. No one person may hold two positions on the board at the same time. If at any time one person could be in a position to hold two positions, then the President will nominate a candidate, who is a Stock-Holding Member of good standing for the vacant position to be approved by a simple majority vote of the Board of Directors as defined in this Article, Clause 12
7. If a Board of Directors position becomes vacant, for any reason including, but not limited to resignation, removal, or death, then the President will nominate a candidate at the earliest convenience for approval by the Board of Directors to hold that position.
8. **Regular Meetings:**
 - a. The Board of Directors will meet at least once a month during the months of April, May, June, July and August
 - b. The outgoing Board of Directors will meet at least once after the annual meeting to appoint the Chairperson of the Audit Committee.
 - c. The newly elected Board of Directors will meet at least three times prior to April.

- c.i. The Board of Directors will meet with the past Board of Directors to transfer records prior to December 1
 - c.ii. The Board of Directors will approve the Parliamentary and Membership Committee Chairperson prior to December 1
 - c.iii. The Board of Directors will establish a calendar of regular meeting dates of the board prior to December 31
 - c.iv. The Board of Directors will establish a calendar of regular meeting dates of the membership prior to February 1
 - c.v. The Secretary, with input from the Board of Directors and at the behest of the President will circulate the agenda for the next meeting and the minutes of the previous meeting not less than seven (7) days prior to the next meeting.
9. **Special Meetings** of the Board of Directors may be called by or at the request of the President, or any two Directors. The person or persons authorized to call special meetings of the board may fix any place, within the area defined for membership eligibility, as the place for holding any special meeting of the board called by them.
10. **Notice of Special Meetings** of the Board of Directors shall be given at least seven days written notice delivered either personally or sent by mail or electronic mail to each Director.
- a. Notice may be delivered personally, which shall be deemed the time of delivery.
 - b. If mailed, the Notice of a meeting shall be deemed to be delivered three days after the Notice was deposited in the United States mail addresses to the member at his or her address as it appears on the records of the corporation, with sufficient postage attached.
 - c. If sent by electronic mail, delivery shall be deemed to have occurred at the day and time of the notice being sent.
 - d. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
 - e. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or the waiver of notice of such meeting, unless specifically required by law or these bylaws.
11. **Quorum:** Five (5) members of the Board of Directors will constitute a quorum.
12. **Manner of Acting:** The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or these bylaws.
13. **Voting:**
- a. A majority vote of those board members present shall be required for any action taken by the board as defined in Clause 12 of this Article.
 - b. In the event of a question before the board results in a tie vote without resolution, the president will cast the deciding vote
14. **Compensation:** Directors shall not receive compensation for services in such capacity; but nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation thereof
15. **Informal Action by Directors:**
- a. Any action by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by the majority of Directors. This consent may be in email form. All actions must be entered into the minutes of the prior meeting. Said minutes shall be subject to approval by the Board of Directors at the next meeting.

b. Meetings of the Board of Directors of the corporation may be held by remote communications technology to the full extent permitted by the Texas Business Organizations Code, as amended from time to time.

16. **Restrictions of the Board:** Nothing in these bylaws shall be construed to permit the board of directors to:

a. Convey, gift, lease or sell any portion of the land owned by SORA unless instructed to by the membership upon a vote of the membership as presented in a special meeting duly noticed as specified in Article IV and adopted by a vote of two-thirds (2/3) of the members present, or represented by proxy, at a meeting at which a quorum is present.

b. Annually spend in excess of five (5) percent of the gross income of the previous year for other than normal operating expenses without the specific approval of a simple majority of the membership present at a special or regular meeting of the membership

c. Gross income shall be determined by the treasurer's year end annual report

d. Absentee voting will be made available under the provision of Article IV, Section 5 for any recommendations by the board of directors to borrow or pledge credit or spend in excess of five percent of the gross income of the previous year.

Article VI – OFFICERS

1. All officers shall be active Stock-Holding members of SORA
2. The corporation shall have six (6) officers and shall consist of President, Two (2) Vice Presidents, Treasurer, Secretary and Parliamentarian.
3. Officers with the exception of the parliamentarian shall be elected by a majority vote of the membership present at the annual meeting, provided there is a quorum as stated in these bylaws
4. Past officers shall relinquish their SORA responsibilities to the newly elected officers on November 1.
5. Past officers shall relinquish their SORA records on or before November 14.
6. No officer of the corporation may serve more than two consecutive one year terms in office in the same position.
7. Any officer elected or approved by the Board of Directors may be removed by the Board of Directors whenever, in its judgement the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any of the officer so removed. A Special Meeting of the Board of Directors must be called. Any vote to remove an officer will only be approved upon an affirmative vote of six (6) Directors. The President and the Parliamentarian will not be eligible to vote as per Clause 8, section a, subsections vi and vii and Clause 8, section f, subsection iii of this Article
8. **Officers and their Duties:**
 - a. The President shall:
 - a.i. Shall be the principal executive officer of the corporation
 - a.ii. Shall in general supervise and control all business and affairs of the corporation which the Board of Directors have authorized to be executed
 - a.iii. Preside over regular, annual and board of director meetings
 - a.iv. Appoint parliamentarian and chairperson(s) of standing committee(s).
 - a.v. Be an ex-officio member of all committees except the nominating committee and audit committee if appointed
 - a.vi. Vote only as an Active Member in Regular and Special Meetings of the membership
 - a.vii. Vote only to break a tie in board of director meetings

- b. The First Vice President – Administration and Programs shall:
 - b.i. Assume the responsibilities of the presiding officer in the absence of the president
 - b.ii. Coordinate insurance coverage and keep policies current
 - b.iii. Assume the responsibility of chairperson of the fundraising committee
 - b.iv. Oversee events planning, parties and member events
 - b.v. Oversee the operations of the concessions
 - b.vi. Ensure compliance with like osha regulations, signage and TX SOS filing
 - b.vii. Assume responsibility for risk mitigation and disaster planning
 - b.viii. Assume responsibility for property inventory and accounting and tax records for business personal property tax
- c. The Second Vice President – Facilities and Grounds shall:
 - c.i. Assume the responsibilities of the presiding officer in the absence of the president and the first vice president
 - c.ii. Coordinate the operation and maintenance of the physical plant, and properties of **SORA**
 - c.iii. Assume the responsibility of chairperson of the pool and grounds committee
 - c.iv. Administer the hiring of pool staff – Manager, assistants and lifeguards
 - c.v. Oversee the work of the pool manager and staff
- d. The secretary shall:
 - d.i. Record the minutes of all **SORA** meetings
 - d.ii. Keep an accurate account of the members present at board of directors meetings.
 - d.iii. Be responsible for the correspondence of **SORA**
- e. The treasurer shall:
 - e.i. Maintain custody of all the funds of **SORA**
 - e.ii. Keep books of account and records including bank statements, receipts, invoices, paid receipts and cancelled checks. These records may be in electronic or paper format or a combination of both as the treasurer sees fit
 - e.iii. Collect revenues and make disbursements for regular operating expenses and other bills as approved by the board of directors
 - e.iv. Present a financial report at all meetings
 - e.v. Present the membership with a current financial report at the annual meeting
 - e.vi. Present the membership with an annual financial report at the general meeting
 - e.vii. Assume responsibility for federal and state tax filings, employment taxes, and payroll
- f. The parliamentarian shall:
 - f.i. Advise the presiding officer on parliamentary procedure
 - f.ii. Assume the responsibility of chairperson of the rules and bylaws committee
 - f.iii. Vote only as an Active Member in Regular and Special Meetings of the membership
 - f.iv. Use Robert’s Rules of Order Newly Revised as the standard of parliamentary procedure

9. Nominating Procedure

- a. The nominating committee shall be appointed by June 30 by the president with the approval of the board of directors
- b. The nominating committee will consist of three members with at least one current member of the Board of Directors.
- c. The nominating committee shall present a slate of candidates to the secretary by August 1 to be presented at the annual meeting
- d. Nominations shall be requested by email no less than seven days prior to the start of the voting. Any nominations must be received no later than 48 hours prior to the start of voting.
- e. Nominations shall be requested from the floor at the annual meeting.

10. Election of Officers

- a. The slate of officers and appropriate absentee voting ballots shall be forwarded to Active Members prior to the Annual meeting.
- b. The Active Members present at the Annual Meeting and/or by absentee voting shall elect the officers for the coming year.

11. Term of Office and Limitations

- a. The term of office shall be for one year beginning November 1 and ending October 31.
- b. No officer shall serve in the same office for more than two (2) consecutive years.

Article VII – VOTING

1) Each Stock-Holding Membership, except Delinquent Memberships, shall be entitled to only one vote at meetings of SORA.

2) Voting may be by way of voice but ten (10) Memberships, including those represented by proxy, shall have the right to demand voting by roll call or closed ballot.

3) Any Membership may be represented by written proxy if not able to attend in person. Except as otherwise expressly provided in these By-Laws, the affirmative vote of a simple majority of the Memberships present (or represented by written proxy) at any SORA meeting shall constitute the action of the SORA.

4) Absentee Voting

- a) Will be offered and counted for the election of officers
- b) Will be offered and counted for any amendment to the SORA bylaws
- c) Will be offered and counted for all special meetings
- d) Will be offered by means of Mail and/or electronic mail and/or internet based voting websites and/or proxy voting and/or other mechanisms as deemed necessary by the board of directors from time to time.
- e) Will be handled according to *Robert's Rules of Order Newly Revised*.

5) Proxy Voting

- a) A member entitled to vote may vote by proxy executed in writing by the member. A proxy may be in writing in original hardcopy with the Stockholding members original signature
- b) No member may act as a proxy for more than five other members.
- c) In order to be valid, the proxy must be in writing and affirmatively give the designated holder of the proxy the right to vote on any issues on which the member did not vote.
- d) A proxy will only be valid for one meeting and must list all matters scheduled to come before the meeting.

- e) To be valid, a proxy must be handed to the secretary prior to the call to order of the meeting.
- f) Any person whose valid proxy has been submitted in accordance with this section shall be considered to be a person present at the meeting for all purposes.
- g) A proxy becomes void if a proxy with a later date is turned in to the secretary in a timely manner, or if the member attends the meeting in person.
- h) Should a member appear in person after a proxy has been voted, said member may not change the vote that was taken when the proxy was in effect

Article VIII – COMMITTEES

1. **Standing Committees** will be convened for the following purposes:
 - a. **Nominating Committee**
 - a.i. The Chairperson of the committee will be proposed by the president and approved by the Board of Directors no later than June 30
 - a.ii. The nominating committee will present a slate of candidates for the election of officers for the following year, for consideration and approval by the Board of Directors no later than August 1
 - b. **Membership Committee** chairperson will be proposed by the president and approved by the new Board of Directors no later than December 1
 - c. **Audit Committee**
 - c.i. The Chairperson of the committee will be proposed by the president and approved by the Board of Directors no later than June 30
 - c.ii. The President may propose one committee members for approval by the Board of Directors
 - c.iii. The Chairperson of the Audit Committee may propose up to two committee members for approval by the Board of Directors
 - c.iv. The Audit Committee will meet at least once prior to September 1 and will audit the accounts and financial records of SORA prior to the Annual meeting, and will recommend corrective actions if necessary
2. **Other Committees**
 - a. The Board of Directors may appoint committees of no fewer than three person for any purpose
 - b. The Pool and Grounds Committee will be responsible for the general upkeep and maintenance of the property. The committee will organize volunteer work parties, and arrange for outside contractors as needed.
 - c. Fundraising Committee will be responsible for all general fundraising events and initiatives to augment the revenue derived from membership subscriptions. This committee will NOT be responsible for membership dues.
 - d. The Rules and Bylaws committee will be responsible for recommending amendments to the bylaws from time to time.
 - e. Any appointed committee shall operate under the direction of the president or president's delegate.

ARTICLE IX – CONTRACTS, CHECKS, DEPOSITS AND FUNDS

1. **Contracts:** The Board of Directors may authorize by a resolution any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these

bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances. All agents & employees must be approved annually with a formal resolution by the Board of Directors.

2. **Checks and Drafts:** All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall be from time to time determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the corporation.
3. **Deposits:** All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.
4. **Gifts:** The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or device for the general purposes or for any special purpose of the corporation. Any gifts received and specifically given for any purpose other than general expenses, must be maintained in a separate bank account and accounted for in the annual accounts.

ARTICLE X – CERTIFICATES OF MEMBERSHIP

1. **Stock-Holding Certificates of Membership:** The Board of Directors may provide for the issuance of stock certificates evidencing membership of the corporation, which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary and shall be sealed with the seal of the corporation. All certificates evidencing membership shall be consecutively numbered. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the corporation. If any certificate shall become lost, mutilated, or destroyed, a notarized indemnity of loss certificate is required as proof of membership. Such requirements for indemnity will be set by the Board of Directors.
2. **Issuance of Certificates:** When an applicant has been approved for membership and has paid all fees and dues that may be required, a certificate of membership may be issued upon request and delivered to the applicant by the Secretary or designated director as provided for under provisions of Paragraph 1 of this Article 7 above.

ARTICLE XI – BOOK AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members and Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member or his agent or attorney for property purpose at any reasonable time.

ARTICLE XII – FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of March and end on the last day in February of the following year.

ARTICLE XIII – DUES

1. Dues and Fees

- a. The board of directors shall establish the cost of a Stock-Holding Membership by February 1 for the current swim season. The cost of a Stock-Holding Membership shall not exceed \$500.00 without the approval of the Stock-Holding Membership.
- b. The board of directors shall establish the cost and availability of other memberships by February 1 for the current swim season.
- c. The Board of Directors will establish volunteer fees and/or initiation fees and/or other administrative fees from time to time. These fees will be levied in addition to a membership fee and do not count towards the cost of a membership.
- d. Refunds - No dues or part thereof shall be refunded in the event that pool operations are suspended for any period.
- e. Liabilities - A member shall be responsible for the payment of all charges or liabilities that may be imposed upon or incurred by each member and his family to whom the privileges of **SORA** shall have been extended and for all charges any liabilities imposed upon or incurred by guest introduced by said member.
- f. Taxes – All fees and other charges mentioned herein and hereafter are exclusive of taxes, if any, imposed by the federal, state, local or other governmental bodies.

ARTICLE XIV – LIMITATION OF LIABILITY; INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

1. **Limitation of Liability:** A director shall perform his duties as a Director in a manner he reasonably believes to be in the best interest of the corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing his duties, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:
 - a. one (1) or more officers or employees of the corporation whom the Director reasonably believes to be reliable and competent in the matters presented; or
 - b. counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such person's professional or expert competence.

A person who so perform his duties shall have no liability by reason of or having been a Director of the corporation.

An officer of the corporation who shall perform his duties in the manner set forth above in this Section 13.01, relying to the extent applicable on information, opinions, reports, or statements set forth therein, shall have no liability by reason of being or having been an officer.

2. Indemnification

- a. **Actions Other Than Those by or in the Right of the Corporation.** The corporation shall indemnify, to the full extent permitted by law, any person who was or is a party or is threatened to be made a party (including a witness) to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the corporation), by reason of the fact that he is or was a director or officer of the corporation, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement, actually and reasonably incurred by him in connection

with such action, suit, or proceeding if he acted in good faith, in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was not unlawful.

- b. **Action by or in the Right of the Corporation.** The corporation shall indemnify, to the full extent permitted by law, any person who was or is a party or is threatened to be made a party (including a witness) to any threatened, pending, or completed action, suit, or proceeding by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or as a director or officer of the corporation, against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of, or appearance connected with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation; provided, however, that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that a court, upon application, shall determine that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses.
- c. **Successful Defense of Action.** Notwithstanding, and without limitation of, any other provision of this Article 13, to the extent that a director or officer of the corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in paragraph (a) or (b) of this Section 14.02 or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.
- d. **Determination Required.** Any indemnification under paragraph (a) or (b) of this Section 14.02 (unless ordered by a Court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in such paragraph. Such determination shall be made,
 - d.i. by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the particular action, suit, or proceeding, or
 - d.ii. if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by legal counsel in a written opinion, or
 - d.iii. by the members.
- e. **Advance of Expenses.** Expenses incurred with respect to any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, specified in Sections 13.02 (a) and 13.02(b) of this Article 13, may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding, as

authorized by the Board of Directors and upon receipt of a satisfactory undertaking by or on behalf of the director or officer to repay such amount unless it ultimately be determined that he is entitled to be indemnified by the corporation as authorized by the Board of Directors and as authorized in this Section 13.02.

3. **Insurance.** The corporation may, when authorized by the Board of Directors, purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, against any liability asserted against, and incurred by him in such capacity, or arising out of his status as such, whether or not the corporation would be required to indemnify him against such liability under the provisions of Section 13.02 of this Article 13.
4. **Nonexclusivity; Duration.** The indemnifications, rights, and limitations of liability provided by this Article 13 shall not be deemed exclusive of any other indemnifications, rights, or limitations of liability to which any person may be entitled under any bylaw, agreement, vote of members, or disinterested directors, or otherwise, either as to action in his official capacity, or as to action in another capacity while holding office, and they shall continue although such person has ceased to be a director or officer and shall inure to the benefit of this heirs, executors, and administrators. The authorization to purchase and maintain insurance set forth in Section 13.03 of this Article 13 shall likewise not be deemed exclusive.

ARTICLE XV – PARLIAMENTARY PROCEDURE

The rules contained in the current edition of Robert’s Rules of Order Newly Revised shall govern **SORA** and its membership in all cases in which they are applicable and in which they are not in conflict with these bylaws or the articles of incorporation. The board of directors shall determine the answer to any question as to the meaning of proper interpretation of the provisions of these bylaws. Acceptance of these bylaws will be made by prospective members when the first payment is made for a membership. Any suggestions for changes may be given to the rules and bylaws committee for consideration or may be brought up at a duly noticed meeting of **SORA**.

ARTICLE XVI – AMENDMENT TO BYLAWS

These bylaws may be altered, amended, or repealed and new bylaws may be adopted by a vote of two-thirds (2/3) of the members present, or represented by proxy, at a meeting at which a quorum is present. Any proposal to alter, amend, or repeal these bylaws or to adopt new bylaws shall be presented, in writing, to the Secretary either by the Board of Directors or by a petition signed by at least one-tenth (1/10) of the voting members of the corporation. Notice of such proposal shall be provided to the members of the corporation in the manner required for notice of a special meeting of members.