

IDLE HOUR TENNIS CLUB, INC. BY-LAWS (REVISED OCTOBER 22, 2017)

The operations and running of the IHTC shall be based on the By-Laws. The Current Edition of Roberts Rules of Order shall be used as a reference for all parliamentary proceedings.

ARTICLE I Name and Purpose

This association shall be called the IDLE HOUR TENNIS CLUB, INC., a non-profit corporation. The purpose of this Club is to promote the game of tennis, fair play, good sportsmanship, and social responsibility within the territory designated as the USTA/ Middle States Section by the United States Tennis Association. The Club does, by these presents, adopt the precepts and purposes of the USTA/Middle States and the United States Tennis Association as its own and intends to maintain active membership and representation in such fraternal tennis organizations.

ARTICLE II By-Laws

The Club's By-Laws are a legal document and the ultimate authority on the governing and management of the Club. The By-Laws delineate the roles, responsibilities, and authority of the Board and impose appropriate limitations on the powers and actions of the Board. Our By-Laws also establish the rights of our membership. The Board is elected by our membership and is responsible for managing the affairs of the Club in conformance with our by-laws and for the benefit of the membership. Any action taken by the board that violates the by-laws is null and void.

ARTICLE III Officers and Directors: Election

Section 1 –General

The government and management of the Club shall be vested in a Board of Directors. The Directors, Officers, and committee members shall be senior members of the Club in good standing. The Board of Directors shall consist of 14 members including the following five officers: President, Vice-President, Secretary, Treasurer, Immediate past President and nine elected Directors.

Section 2 –Election

The President, Vice-President, Secretary, and Treasurer shall be elected for a term of two years at an Annual Meeting, and shall serve until their respective successors are elected and qualify. Three Directors shall be elected at each Annual Meeting for three-year terms. Unlike an Officer who can serve successive terms without interruption, a Director who has served continuously for six years shall not be eligible for re-election as a Director until one year has elapsed. All elections of Officers and Directors shall be by ballot of active senior

members. If a member of the Board misses two consecutive meetings without good reason or is otherwise unable to fulfill his or her obligations as a member of the Board, then he or she may be removed from the Board by a two-thirds vote of the entire Board. All candidates for positions on the Board and appointed Chairs must be active senior members in good standing.

Section 3 -President

The President shall preside at all meetings of the Club and the Board of Directors. The President shall appoint all Committees. The President shall sign all written contracts of the Club, except as otherwise provided in Section 8 of this Article, and shall perform such other duties as the Board of Directors of the Club may direct. The President shall be ex-officio member of all committees. The President shall be exempt from all dues.

Section 4 -Vice-President

It shall be the duty of the Vice-President to discharge and to exercise all the duties and powers of the President in the President's absence or disability and to perform such other duties as may be assigned to the Vice-President from time to time by the President of the Board of Directors. The Vice-President shall be exempt from all dues.

Section 5 -Secretary

It shall be the duty of the Secretary to give notice of all meetings of the Club and of the Directors and keep the minutes of such meetings. These minutes shall be posted monthly on the bulletin board. The Secretary shall conduct the correspondence as required in the by-laws and the correspondence that is requested by officers and directors. The Secretary shall keep the records and the seal of the Club and notify in writing all officers and directors of their elections. The Secretary shall be exempt from all dues.

Section 6 -Treasurer

It shall be the duty of the Treasurer to keep the accounts of the Club and report thereon at each regular meeting of the Board of Directors. The Treasurer shall make a full report in writing to the Club at the Annual Meeting, and submit the accounts for audit whenever so requested by the Club or by the Board of Directors. The Treasurer shall pay all bills which have been certified as correct by the Chair of the committee in charge of the expenditures, and approved by the President.

The Treasurer shall collect the dues and other revenue of the Club from every source and deposit the same in a banking institution approved by the Board of Directors. The Treasurer shall perform such other duties as the Board of Directors shall from time to time direct. The Treasurer shall be an ex-officio member of the Finance Committee. The Treasurer shall be exempt from all dues.

Section 7 -Bonding

The Treasurer and such other officers handling funds of the Club shall be put under Bond in an amount deemed necessary by the Board of Directors.

Section 8 -Contracts

All contracts requiring payment related to the daily and ordinary business of this Club must be signed by the President and one other officer. The Board of Directors must review and vote on all refurbishment proposals. All board-approved contracts providing for the receipt of funds by the Club must be signed by the President.

As otherwise provided in Section 5 of Article IV, all contracts providing for major renovations or major capital improvements that would require the establishment of a loan or the placement of a lien on any Club property, must be first approved by the membership at the Annual Meeting or a Special Meeting.

ARTICLE IV

Board of Directors: Powers and Duties

Section 1 -General

The Board of Directors shall have entire supervision and control of the affairs, money, and property of the Club. It shall have full power to carry out the corporate objectives of the Club according to its charter, except where otherwise provided by the By-laws and to waive, amend or modify rules as they apply to an individual situation within reasonable discretion provided it is compliant with the By-laws.

Section 2 -Meetings

The meetings of the Board of Directors shall be held monthly from March to September inclusive.

Section 3 -Quorum

A majority of the members of the Board of Directors shall constitute a quorum.

Section 4 -Vacancies

The Board of Directors shall fill by appointment all vacancies on the Board of Directors that may occur between regular elections. Officers and Directors so appointed shall hold office until the next annual election. In the event of the resignation of an immediate Past President from his or her current board position, the most recent past President shall be asked to fill said vacancy. If said Past President is unable to fill the vacancy, then the next most recent Past President shall be asked to fill the vacancy, and so forth. If no Past President is available to fill the position, then the Board of Directors shall appoint a former director to fill said vacancy.

Section 5 -Limitation of Powers

The Board of Directors shall not borrow money in excess of Five Hundred Dollars (\$500) or purchase, sell, lease, mortgage or otherwise dispose of any real estate, unless and until a resolution authorizing the same has been approved and authorized by two-thirds of the members present at a regular or Special Meeting, duly convened upon proper written notice of the purpose therefore, which notice shall be mailed to the members by the Secretary.

Section 6 –The Limited Liability of Officers and Directors

Pursuant to Title 42 of the Pennsylvania Consolidated Statutes, Section 8364, as added by Liability Act No.145 of November 28, 1986, effective January 27, 1987, a Director of the Corporation shall not be personally liable for monetary damages for any action taken, or any failure to take any action, unless:

1. The Director has breached or failed to perform the duties of such Director's office, as set forth in Section 8363 of Title 42 of the Pennsylvania Consolidated Statutes, as added by Act No.145 of November 28, 1986 including such Director's duties as a member of any committee of the Board of Directors upon which such Director may serve, in good faith, in a manner such Director reasonably believes to be in the best interests of the Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances; and/or

1.2. The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. In performing his or her duties, a Director may rely in good faith upon information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by (i) one or more officers, director's or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented, or (ii) counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such person, or (iii) a committee of the Board of Directors upon which the Director does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence. A Director shall not be considered to be acting in good faith, however, if such Director has knowledge concerning a matter which would cause his or her reliance on any of the foregoing to be unwarranted. In discharging the duties of their respective positions, the Board of Directors, committees of the Board of Directors and individual Directors may, in considering the best interests of the Corporation, consider the effects of any action upon employees, upon suppliers of the Corporation and upon communities in which offices or other establishments of the Corporation are located and all other pertinent factors. The consideration of those factors shall not constitute a violation of such person's fiduciary standard of care. In addition, absent a breach of fiduciary duty, a lack of good faith or self-dealing, actions taken by a Director or any failure to take any action shall be presumed to be in the best interests of the Corporation.

3. This Section 6 shall not apply to a Director's responsibility or liability under any criminal statute or a Director's liability for payment of taxes under any local, State or Federal law.

A) Advancement of Expenses: Expenses incurred by a person entitled to indemnification pursuant to this Article in defending a civil or criminal action, suit, or proceeding shall be paid by the Club in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay the amount so advanced if it shall ultimately be determined that such person is not entitled to be indemnified by the Club.

B) Continuing Right to Indemnification: The indemnification and advancement of expenses provided pursuant to this Article shall continue as to any person who has ceased to be an officer or director or employee or representative of the Club and shall inure to the benefit of the heirs, executors and administrators of such person.

Article V Committees

Section 1 -Standing Committees

The following committees shall be appointed annually, each having a minimum of three members: Finance Committee, Pro Committee, Social Committee, Nominating Committee, Property Committee, Membership Committee, Website Committee, Tennis Committee, Insurance Committee, Landscaping/Beautification Committee, and the Rules/Regulations/By-laws Committee. At least one board member shall be a member of each standing committee. The Chair of the Nominating Committee shall be a Past President.

Section 2 -Additional Committees

The Board of Directors shall create such additional committees as the Club may require.

Section 3 -Powers Defined

At the time of their appointments, the Board of Directors shall define the duties and powers of all committees.

ARTICLE VI Elections and Meetings

Section 1 -Annual Meeting

The Annual Meeting of the Club shall be in October of each year, at such time and place as the Board of Directors may determine. Notice of the meeting shall be sent by U.S. mail and/or electronic mail by the Secretary to each member at least 15 days in advance of the meeting date. Eight (8) percent of voting members shall constitute a quorum.

The order of business at the Annual Meeting shall be as follows:

1. Review and approve the minutes and the Treasurer's report
2. Report of the President
3. Report of the Treasurer
4. Report of Committees

5. Unfinished or deferred business
6. Election of Officers and Directors
7. Ratification of Acts of Directors
8. New Business
9. Adjournment

Section 2 -Special Meetings

Upon the written request of ten percent (10) of voting members or at the request of the Board of Directors, the President shall call a Special Meeting of the Club, notice of which shall be mailed by U.S. mail and/or electronic mail to each member by the Secretary at least fifteen days (15) prior to said meeting. This request, as also the notice of any Special Meeting, shall state the objectives for which the meeting is called, and no business shall be transacted except as specified therein. Ten percent (10) of the voting members shall constitute a quorum at any such meeting of the Club. The purpose of a Special Meeting is for the Board of Directors to hear the concerns of the general membership on a specific issue.

ARTICLE VII Membership: Rights and Duties

Section 1 -Membership Chair

In recognition of the level and amount of work required by the Membership Chair, he or she shall be exempt from all dues.

Section 2-General

All applications for membership in any class except that of honorary membership shall be proposed to the Chair of the Membership Committee by a primary sponsor who has been an active senior member for at least one year. After review by the Membership Committee, the applicant's name shall be posted on the bulletin board in the clubhouse for at least five (5) days. The Membership Committee shall then make recommendations to the Board of Directors concerning the applicant's request for club membership.

The Board of Directors shall vote by electronic means (e-mail) or paper or ballot to accept or to reject an applicant for membership no later than the Board's next meeting. A majority vote of the Board shall be sufficient to accept an applicant.

Section 3 -Senior Membership

Senior members (those 25 years of age and older) shall be entitled to all the privileges of the Club. Senior membership shall be limited to a maximum of 525 members; the Board of Directors shall at its discretion have the power to reduce this limit. Standby additions after April 1st shall not count against this number.

Section 4 -Junior Membership

Junior members shall be under twenty five (25) years of age on the first of January in any year and shall be entitled to all the privileges of the Club House and grounds insofar as they do not interfere with the comfort and convenience of the senior members. They shall not have the right to vote or hold office. They shall also be subject to such restrictions as may be necessary from time to time as made by the Board of Directors. Such members shall be juniors at least two (2) years before they are eligible for Senior Membership without paying an entrance fee. Junior members of one (1) year must pay one-half of the regular entrance fees when passing the age limit for juniors and becoming senior members. Junior members who do not become senior members by age of 27 forfeit any special consideration regarding entrance fees.

Section 5 -Standby

A Standby status can be requested by any member who is temporarily unable to play because of (1) medical problems (2) moving out of the local area and/or (3) working out of the local area. Standby status treats the player as a guest who will have no playing privileges (including tournaments and interclub play) or voting privileges. Status in this category is limited to two consecutive years unless extended by the Board at its discretion. Standby players can return to one of the regular membership categories upon payment of the regular dues.

Section 6 -Honorary

Honorary members may be elected only at the Annual Meeting of the Club by a two-thirds vote of the members present. Honorary members shall be entitled to all the privileges of the Club and shall not be liable for any dues or assessments.

Section 7 –Family Membership

A family membership is defined as an adult or couple who live in the same household and can include children or grandchildren. Maximum number of children/grandchildren in household is 4.

Section 8-New Membership Classes

There are five classes of membership: Senior, Family, Junior, Stand-by, and Honorary. No additional classes of membership shall be authorized without the affirmative two-thirds majority vote of the active senior members present at an Annual Meeting or at a Special Meeting.

ARTICLE VIII Suspension and Expulsion

Section 1 -General

Any member(s) may receive a letter of reprimand, be suspended for an infraction of any By-law or Rule of the Club, or for acts or conduct which may be deemed disorderly or injurious

to the interests or hostile to the objectives of the Club. Any club member lodging a formal complaint must do so in writing. The complaint letter should include the date of the incident, a detailed account of the incident, the names of any witnesses, and the names of the individuals whose behavior prompted the formal complaint.

The complaint letter shall be submitted to the Chair of the Rules, Regulations, By-laws Committee. Notice will be sent to the accused member(s) and the accusing member(s) by the Rules/Regulations/By-laws Committee to appear at a hearing before the Rules, Regulations, By-laws Committee. The members involved in the complaint may appear alone or with witnesses. The Rules/Regulations/By-laws Committee will send written notification to the members involved in the complaint informing them of the designated site, date, and time of the hearing(s). The member(s) charged with an offense shall have the option to meet with the member(s) bringing the complaint by requesting such a meeting in writing. Both parties have the right to bring witnesses. The number of witnesses will be limited to three (3) for each side, unless increased at the discretion of the Rules/Regulations/By-laws Committee. After such a hearing, the committee shall notify the Board of its recommendation(s). The Board will consider the committee's recommendation(s) and may accept, reject, or alter the recommendation(s) of the committee by a majority vote. The accused member(s) will be notified in writing of the Board's decision within ten (10) days. Upon receipt of said notification, the accused member(s) will have seven (7) days to appeal to the Board.

Section 2 -Right of Appeal

Upon receipt of a written appeal, within the allotted seven (7) days, from any member upon whom a sanction has been imposed, the President shall call a meeting of the Board to hear said appeal of the decision(s) of the Board of Directors. The accused and the accuser have the right to bring three (3) witnesses to the hearing. At such meeting, the initial decision(s) of the Board of Directors may be modified or annulled by a majority vote of the Board of Directors. The accused member(s) will be notified by postal mail or electronic mail of the Board's decision(s) within ten (10) days.

Section 3 -Tennis Business on Club Grounds

Engaging in any tennis business* on Club grounds or within 100 yards of Club grounds is strictly prohibited except by written permission of the Board of Directors. The Board may suspend or revoke the membership of both the seller and/or the buyer. See Article VIII section 2 for "right of appeal" by the member(s).

*Note: Tennis Business is defined as Tennis instruction, stringing or repairing tennis racquets, and selling tennis paraphernalia (i.e., shirts, caps, grips, tennis shoes, tennis balls, etc.) for monetary or other consideration. Advertising any of these services within 100 yards of club grounds is prohibited.

Section 4 - Forfeiture of Interest

In the case of death, resignation or expulsion of any member, the member forfeits all his or her interest(s) in the property of the Club, real or personal.

ARTICLE IX Finances

Section 1 -Entrance Fees and Annual Dues

The Board of Directors may upon majority vote 1) Suspend 2) Reduce, or 3) Reinstate the Entrance Fee for senior membership in the Idle Hour Tennis Club. Annual dues, and any special assessments shall be determined by an authorizing resolution, and be approved and authorized by two-thirds of the members present at a regular or Special Meeting duly convened upon proper written notice of the purpose therefore, which notice shall be mailed to the members by the Secretary.

Section 2 -Payable

Dues for current members are payable by March 1of each year.

Section 3 -Delinquent Payments

The Board of Directors shall terminate the membership of any member whose dues are not paid by April 1st of the current year, and whose delinquency is not explained to the satisfaction of the Board. Thereupon, such member's interest in the Club shall cease.

Section 4 -Use of Funds

All funds of the Club shall be employed to meet operating expenses, capital improvements, reduction of indebtedness, creation of general or specific reserves, or any other expense related to the promotion of the purposes of the Club. None of the profits, earnings, or assets of the Club, wherever situated, shall inure to the benefit of any member, officer, or director of the Club. A committee Chair or the tennis director may authorize expenditures up to \$500. Expenditures between \$501 and \$1,000 require the written or electronic authorization of the President and two other officers. Except for tax and utility bill payments, any expenditure exceeding \$1,000 must be approved by the Board of Directors. All checks in excess of \$5,000 must be signed by two officers.

Section 5 -Reserve Fund

A reserve fund will be set up and maintained in the amount of \$125,000. This fund will be used exclusively to repair major damage (greater than \$10,000) to the courts, fencing, dikes, land, utilities, and Club House (amount not covered by insurance) caused by natural events (floods, winds lightning, etc.) Any interest earned by this fund will remain in the fund until the total value of the fund reaches \$150,000, at which time future interest on the total value of the fund will be added to the current assets and become available for general operating expenses. The face value of the fund may be increased from time to time if determined necessary by the Board. This fund cannot be expended for any other purpose unless specifically approved by a two-third vote of the active senior members present at an Annual or Special Meeting.

ARTICLE X Dissolution

Upon dissolution of the Club, all debts and obligations shall first be paid and satisfied to the fullest extent possible. Any remaining funds, after assets liquidation and payment of obligations, shall be disbursed as follows:

5% percent of the remaining funds will be donated to Not-For-Profit Tennis related organizations focused on developing Junior players. The actual Not-For-Profit recipients will be recommended by the then current Board of Directors and approved by the membership.

95% percent of the remaining funds will be distributed in equal amounts to those then current Senior and Honorary Members who made a long-term commitment to the Club, by having paid their Full Annual Senior Membership Dues for ten or more consecutive years (Qualified Distribution Recipients). Board Officers, whose dues are waived during their respective terms, are considered to have paid their Full Annual Senior Membership Dues for those respective years of service.

The initial Qualified Distribution Recipients List will include all current Honorary and Senior Members, who, as of fiscal year ending October 31, 2017, have been Senior Members of the Club for ten or more years. All other current Senior Members will be listed on a Potential Qualified Distribution Recipients List, which will reflect the member's respective consecutive years of Senior Membership, as of fiscal year ending October 31, 2017.

Any Senior Member who drops out of the Club or does not pay their Full Senior Membership Dues during any subsequent year, will be removed from the Qualified or Potential Distribution Recipients List. Should such Senior Members rejoin the club, or resume paying the Full Senior Membership dues in a subsequent year, their record of having paid the Full Annual Senior Membership Dues for ten or more consecutive years will reset to year one.

A Standing Article X Board of Directors Committee will be formed to maintain the Qualified and Potential Distribution Recipients Lists. Copies of the Lists will be distributed to every Honorary and Senior Member within 30 days of the end of each fiscal year.

ARTICLE XI Amendment of By-laws

Board-recommended changes and board-recommended amendments to the By-laws shall be presented to the club's members at an Annual Meeting or at a Special Meeting. The ratification of the Board-recommended changes and Board-recommended amendments shall require the affirmative two-thirds majority vote of the senior active members present at an Annual Meeting or at a Special Meeting.

Written notice of the proposed changes and amendments shall be posted on the clubhouse bulletin board and mailed or emailed to the members by the Secretary at least fifteen days prior to the next scheduled Annual Meeting or the next scheduled Special Meeting. It is the

right of any member to recommend to the Board a By-Law change as long as the change is presented at a Board Meeting prior to the Annual Meeting. The members have the right to approve or to disapprove the By-law but may not make any changes to the amended By-laws at the Annual Meeting.