

**AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM &
RACQUET CLUB, INC. DATED 10th JANUARY 2017**

CONTENTS

ARTICLE I - NAME AND LOCATION

ARTICLE II - DEFINITIONS

ARTICLE III - CLASSES OF MEMBERSHIP

ARTICLE IV - VOTING RIGHTS

ARTICLE V - MEMBERSHIP

ARTICLE VI - MEMBERSHIP CHARGES

**ARTICLE VII - RESIGNATION, SUSPENSION, EXPULSION, DEFERRAL AND
REINSTATEMENT**

ARTICLE VIII - FEES, RULES, REGULATIONS, GUESTS AND FAMILY MEMBERS

ARTICLE IX - MEMBERSHIP RECORDS, TRANSFERABILITY OF MEMBERSHIP

ARTICLE X - CONTRACTS, LOANS, DEPOSITS, CHECK, DRAFTS

ARTICLE XI - MEETINGS OF MEMBERS

ARTICLE XII - BOARD OF DIRECTORS

ARTICLE XIII - MEETINGS OF DIRECTORS

ARTICLE XIV - POWERS AND DUTIES OF THE BOARD OF DIRECTORS

ARTICLE XV - OFFICERS AND THEIR DUTIES

ARTICLE XVI - BOOKS AND RECORDS

ARTICLE XVII - MISCELLANEOUS

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

ARTICLE I

NAME AND LOCATION

The name of the corporation is HARRINGTON GROVE SWIM & RACQUET CLUB, INC. (hereinafter referred to as the "Swim Club"). The principal office of the Swim Club shall be located at in Wake County at 12201 New Leesville Blvd, Raleigh, North Carolina 27613. The location of the principal office of the Swim Club may be changed by resolution of the Board of Directors. Meetings of Members and Directors of the Swim Club may be held at such places as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

"Amendment" shall mean and refer to this amendment document entitled "Amendment to By-Laws of Harrington Grove Swim & Racquet Club, Inc. dated 10th January 2017". This Amendment shall serve to amend the Original By-Laws, as defined herein.

"Applicant" shall mean and refer to any individual that has applied for membership, as defined herein, and that has reached eighteen (18) years of age prior to or on the date of application for membership and that is a legal resident of the State of North Carolina at the time of application. Where an Applicant has not yet become a legal resident of the State of North Carolina at the time of application, the Board – at its sole discretion – may consider the application as conditional, wholly dependent upon the subsequent establishment of residency within the State of North Carolina.

"Board of Directors" or "Directors" shall mean and refer to those certain Members or Existing Members, as defined herein, elected to serve as directors, as defined more specifically in Article XII of this Amendment.

"Club" shall mean and refer to Harrington Grove Swim & Racquet Club, Inc., its successors and assigns.

"Club Property" shall mean and refer to that certain 10.673 acre tract within the Properties as shown on that certain plat entitled "Property of Harrington Grove Swim & Racquet Club, Inc.", prepared by Barrett Kays & Associates, dated May 24, 1988, and recorded in Book of Maps 1988 at Page 769 in the Wake County Registry, including all subsequent properly executed and recorded modifications, addendums and/or rescissions, reaffirmations, corrections, or

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

re-acknowledgments, together with all buildings and other improvements now or hereafter constructed thereon.

"Existing Member" shall mean and refer to any individual currently considered a "Member" – as defined within the Original By-Laws, as defined herein – as of the date of this Amendment, as defined herein.

"Member" shall mean and refer to every individual holding membership in the Swim Club.

"Original By-Laws" shall mean and refer to that certain document entitled "By-Laws of Harrington Grove Swim Racquet Club, Inc." as originally executed on 17th June 1988.

"Officers" shall mean and refer to those certain Directors, as defined herein, elected to serve as Officers, as defined more specifically in Article XIV of this Amendment.

"Properties" shall mean and refer to the Existing Property as that term is defined in Section 1 of Article II of the Declaration Of Covenants, Conditions And Restrictions Of The Harrington Grove Community Association, Inc., recorded in Book 4012 at Page 6 in the Wake County Registry, as amended from time to time (such Declaration and any amendments thereto being herein after individually and collectively referred to as the "Declaration", and any additions to such Existing Property as may from time to time be made pursuant to Section 2 of said Article II).

ARTICLE III

CLASSES OF MEMBERSHIP

The Swim Club shall have one (1) class of membership. This Amendment section supersedes the membership classes as described in the Original By-Laws and the Original Articles of Incorporation which have become irrelevant and are no longer consistent with Swim Club operations.

Class A Membership. Class A Members shall consist of persons accepted for membership as set forth herein, and all Existing Members, as defined herein, and that are in good standing at the time of the execution of this Amendment. Every Applicant shall be eligible for Class A membership in the Swim Club and, upon application for membership and payment to the Swim Club of any initiation fees, dues or other membership charges in effect as of the time of acceptance, as from time to time established by the Board of Directors, shall be initially accepted as a Member therein: provided, however, that such membership application may be deferred by the Board of Directors due to such limits upon the total number of memberships in the Swim Club as may be from time to time established by the Board of Directors.

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

ARTICLE IV

VOTING RIGHTS

Class A. Class A Members shall be entitled to one vote. Voting rights shall be assigned to the named individual making the application for membership at the time of approval.

ARTICLE V

MEMBERSHIP

Section 1. Application for Membership. Except as provided in Section 4 of this Article V, any person desiring to become a Member of the Swim Club shall make application therefor in such manner and form and upon such terms and conditions as the Board of Directors shall from time to time prescribe.

Section 2. Acceptance for Membership: Payment of Membership Charges.

Class A Members. Subject to deferral due to such limits upon the total number of memberships in the Swim Club as may be from time to time established by the Board of Directors, any Applicant eligible for Class A membership may obtain Class A membership by submission of the application required by Section 1 of this Article V and the payment to the Swim Club, within such time as may be prescribed by the Board of Directors, of the initiation fee, annual dues and other membership charges (as hereinafter defined) in effect for Class A Members as of the time of approval of such membership by the Board of Directors. The Board of Directors shall within thirty (30) days after receipt of an application for Class A membership, advise such Applicant of its approval for membership or of its decision to defer such approval. Unless approval is deferred, such notice shall also state the effective date of membership, the membership charges due, and the date upon which such membership charges must be paid. In the event that any Applicant who has been given notice of approval for membership fails to pay the required membership charges within the prescribed period, the Board of Directors, in its sole discretion, at any time after expiration of the prescribed period, without notice to such Applicant, may retract such approval and suspend or cancel such Applicant's membership.

If such Applicant's application is deferred, the notice will state that the approval is deferred, the estimated time of deferral, and the membership charges that will be due from such Applicant when his application is approved, which membership charges shall be the same as those in effect as of the date of the Board of Director's notice of deferral.

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

The Board will notify each Applicant in writing if the Applicant's application for membership has been denied. Reasons for denial include, but are not limited to, failure to remit application fee at the time of submission, failure to supply sufficient information to positively establish the Applicant's identity, and failure to establish North Carolina residency within the prescribed period of time. The Board is not required to state or explain the reason(s) for denial.

Section 3. Membership Status. Each Applicant who has been accepted for membership by the Board of Directors and who has paid all required membership charges and, if applicable, reinstatement fees, and who is not in the status of resigned, expelled or suspended as hereinafter defined, shall be a Member in Good Standing of the Swim Club. The right to use of the Swim Club Property and facilities shall be available only to and is hereby restricted to Members of the Swim Club in Good Standing.

ARTICLE VI

MEMBERSHIP CHARGES

Membership charges shall consist of initiation fees, annual dues, special assessments as set forth herein, and such other membership charges as shall be established (and increased or decreased from time to time) by the Board of Directors. In addition to such initiation fees and annual dues as are established from time to time by the Board of Directors, the Swim Club may levy, in any year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of reconstruction, repair or replacement of a capital improvement upon Club Property, including fixtures and personal property related thereto, and/or any new construction approved by a majority of the Class A Members. If any such special assessment exceeds the total annual dues then being collected from all Members, then such assessment shall have the assent of the Class A Members who are voting, in person or by proxy, at a meeting duly called for this purpose; otherwise, such assessment shall be approved by the Board of Directors of the Swim Club without a vote of the membership.

Initiation fees, dues, assessments for capital expenditures and other membership charges shall be fixed at a uniform rate for all Members within a given membership Class. Any initiation fees, dues, assessments or other membership charges which are not paid when due shall be delinquent. If any membership charges are not paid within ten (10) days after the due date, the Board of Directors may suspend such Member's membership as set forth in Article VII of these By-Laws until such charges, including interest and late charges as herein provided, have been paid in full. Any membership charges which are not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum or the highest rate allowed by law, whichever is less, plus such late charge as may be established by

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

the Board of Directors. If any membership charges are not paid within thirty (30) days after the due date, the Board of Directors may terminate such Member's membership as set forth in Article VII of these By-Laws and may institute legal proceedings against the Member personally obligated to pay the same, but sums owed to the Swim Club shall not constitute a lien on such Member's property until and unless judgment in favor of the Swim Club is rendered in such action.

Interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such membership charges. No Member may avoid payment of any membership charges levied by the Swim Club by non-use of the Swim Club Property or sale or abandonment of his property.

ARTICLE VII

RESIGNATION, SUSPENSION, EXPULSION, DEFERRAL AND REINSTATEMENT

Section 1. Resignation. A Member may resign from the Swim Club by delivering to The Board of Directors a written statement of resignation. Until the effective date of such resignation, the resigning Member shall continue to have the status of a Member of the Swim Club and shall be liable and responsible for the payment of all dues and other membership charges that shall accrue to the effective date of resignation. The resigning Member will not be entitled to a full or partial refund of fees, dues, and or assessments paid prior to the effective date of resignation. The Board's acceptance of a Member's resignation request will not serve as a waiver of any of the Swim Club's rights to collect fees, dues, assessments or other rights or claims against the resigning Member accruing prior to the effective date of resignation.

Section 2. Suspension for Non-Payment of Membership Charges. In the event that any Member fails to pay any initiation fees, dues or other membership charges within fourteen (14) days after same are due, such Member's membership shall be automatically suspended until all membership charges, including interest and late charges, have been paid and such Member has been reinstated as provided in Section 4 of this Article. During the period of suspension of membership, the suspended Member shall have no right to use the Club Property.

Section 3. Suspension and Expulsion for Improper Conduct. The Board of Directors at all times shall have the power, to be exercised as provided by this Section, to expel any Member from the Swim Club, to suspend the membership of any Member, to suspend or deny to any member of the immediate family of a Member or their guest the right of use of the Club Property and facilities for or on account of (1) the infraction of any By-Law, or any published rule or regulation of the Swim Club; (2) for conduct deemed or found to be prejudicial to the best interests of the Swim Club or its Members; or (3) where the Member has been accused of or convicted of a

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

violation of a state or federal law which representatives conduct that would otherwise be deemed or found to be prejudicial to the best interests of the Swim Club or its Members. Complaints alleging such violation or improper conduct with respect to any person may be filed with the Board of Directors by any person. Upon receipt of any such complaint, the Board of Directors shall review the same, and, after such investigation as it shall deem proper, shall determine by a majority vote of the directors present at a meeting called for such purpose, whether or not the conduct complained of warrants suspension or expulsion. If the Board of Directors determines that the conduct does not warrant suspension or expulsion, it shall take such action as it deems sufficient to call the matter to the attention of the person charged and issue such warning or reprimand as it may deem proper. If the Board of Directors determines that the conduct complained of does warrant suspension or expulsion, the following procedures shall pertain:

- (a) The Board of Directors shall fix a date, time and place at which a hearing on the complaint shall be held.

- (b) The Board shall send written notice of the hearing not less than five (5) days prior to the scheduled hearing date to the Member to be charged or with respect to whose immediate family or guest such complaint has been filed. The notice shall set forth the date, time and place of the hearing and a statement of the conduct alleged in sufficient detail to reasonably inform the reader of the basic and essential facts and circumstances of the offense charged. Such written notice shall be sent by certified mail addressed to such Member at the address thereof on the membership book of the Swim Club.

- (c) At the hearing, there shall be present at all times not less than a quorum of the Board of Directors and proceedings shall be had in such form as to establish the facts and circumstances of the charge. The Member charged or whose guest or family member is charged shall be entitled to be present at all times during such proceeding and shall be permitted to offer such proof in defense of the charge as may be reasonable and proper.

- (d) Immediately following the conclusion of the hearing, the Board of Directors, either in open meeting or executive session as it may elect, shall consider the evidence presented and, on the basis thereof, by majority vote, shall decide, based on all facts available to the Board, whether or not the conduct was committed as charged. If the Board of Directors determines that such person is innocent of the charges or that the charges have not been proven, no further action shall be taken. If the Board of Directors decides that such person has committed the conduct charged, then:
 - (1) If the person so charged and found guilty is a Member, the Board of Directors may expel such Member from the Swim Club or suspend such Member's membership for such period as it may elect, not to exceed twelve (12) months.

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

(2) If the person so charged and found guilty is any person other than a Member, the Board of Directors may limit, suspend or deny to such person the right of use of the Swim Club Property for such period of time as the Board of Directors may deem proper.

(e) The decision of the Board of Directors shall become effective upon the announcement thereof, which announcement shall be made in open hearing before concluding the proceedings.

(f) The decision and action of the Board of Directors with respect to any charge or complaint shall be subject to appeal to the Members of the Swim Club. Any such appeal shall not delay or otherwise alter the effect of the decision of the Board. An appeal may be taken by the Member charged to whose guest or family member was charged by filing a written notice of such appeal with the President of the Swim Club within ten (10) days after the date of announcement of the decision. Upon receipt of the notice of appeal, the President shall call a special meeting of the Members, to be held at such time and such place within Wake County, North Carolina as is designated in such notice, which time shall be not less than seven (7) nor more than thirty (30) days after receipt of such notice of appeal. At such meeting, the Members may review and consider the action and decision of the Board of Directors and may confirm, reverse or modify the decision of the Board of Directors. The action of the Members shall be final.

Allegations of violent or heinous conduct made by a Member, or member of that Member's immediate family, against another Member, that Member's immediate family, or guest of the aforementioned Member, shall result in the immediate suspension of the accused's membership rights pending a subsequent investigation by the Board of Directors. Further, the Board of Directors shall have the duty to inform the appropriate members of law enforcement where applicable.

Section 4. Deferral of Membership. The the Swim Club may defer membership of a Member upon petition of the aforementioned Member and upon the showing of good cause. "Good cause" includes, by way of example and not by way of limitation, a Member's necessary military leave (including the spouse of active duty military personnel even where the spouse shall remain at his or her present location), temporary job relocation, or economic hardship due to unemployment, illness/personal injury or death within a Member's immediate family. The deferring Member shall continue to have the status of a Member of the Swim Club – except in so much as the Member shall not be permitted guest privileges as defined herein – and shall be liable and responsible for the payment of all dues and other membership charges that shall accrue to the effective date of resignation. All dues shall be temporarily halted during the time of deferral. The Member shall not be liable for any fees or costs that would have otherwise

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

accrued notwithstanding the grant of the deferral. The Board of Directors, at its sole discretion, may elect to require the Deferring Member to pay all or a portion of any special assessment that the Member would have been otherwise liable to pay had the deferment not been granted, upon reinstatement.

Section 5. Reinstatement of Membership. Any Member who shall have resigned, deferred, or who shall have been suspended or expelled from the Swim Club may thereafter make application to the Board of Directors for reinstatement to membership. Such application may be accepted or rejected by the Board of Directors of the Swim Club after consideration of such circumstances as the Board shall deem appropriate.

(a) If the application for reinstatement of a resigned Member is approved, the Member shall be reinstated as a Member of the Swim Club effective upon payment to the Swim Club of a reinstatement fee of \$100.00, the annual dues in effect at the time of reinstatement, and bringing the account into status of Good Standing for the period up to the date of resignation and exclusive of the resignation period.

(b) If the application of a suspended or expelled Member is approved, the Member shall be reinstated as a Member of the Swim Club effective upon payment to the Swim Club of a reinstatement fee of \$250.00, the annual dues in effect at the time of reinstatement, and bringing the account into status of Good Standing for the period up to the date of suspension or expulsion and exclusive of the suspension or expulsion period.

(c) If the application for reinstatement of a deferred Member is approved, the Member shall be reinstated as a Member of the Swim Club without penalty or reinstatement fee, except to bring the account into status of Good Standing for the period up to the date of deferral and exclusive of the deferral period.

(d) Members, Member's immediate family, or a Member's guest previously adjudicated by the Board of Directors' to have committed a violent or heinous act against another Member, that Member's immediate family, or that Member's guest shall never have his or her membership reinstated under any circumstance.

ARTICLE VIII

FEES, RULES, REGULATIONS, GUESTS AND FAMILY MEMBERS

Section 1. Dues, Fees and Membership Charges. The amount of dues, initiation fees or other membership charges to be paid to the Swim Club by Members and guest fees and all of their fees and the time of payment thereof shall be established and may from time to time be

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

changed by the Board of Directors. No part of any paid initiation fee shall be refunded under any circumstance, at the discretion of the Board of Directors.

Section 2. Rules and Regulations. The rules and regulations with respect to the use by any person of Club Property and facilities shall be established and may from time to time be changed by the Board of Directors.

Section 3. Notice and Effective Date. Any act of the Board of Directors with respect to the establishment or change of any rule or regulation of the Swim Club or the amount of dues or fees payable or the time for payment thereof shall be made available to each Member and be posted on Club Property at a place designated by the Board of Directors for posting of notices; provided, however, that such action shall become effective as of the time of posting of notice thereof or at such later date as is specifically stated in such notice.

Section 4. Guests. Rules and regulations with respect to the use of the Swim Club Property and facilities by guests of Members shall be established and may from time to time be changed by the Board of Directors.

Section 5. Family Members. The immediate family of any Member shall have the right to use the Swim Club Property. For this purpose, the term "immediate family" shall include only those family members residing with the Member, provided, however, that the Board of Directors shall have the right to permit other members of a Member's family or his guests to use the Swim Club Property subject to such rules and regulations as the Board shall from time to time adopt.

ARTICLE IX

MEMBERSHIP RECORDS, TRANSFERABILITY OF MEMBERSHIP

Section 1. Membership Records. The Board of Directors shall establish and maintain a list containing the name, address and contact information of each Member (hereinafter referred to as the "Membership List"), the date upon which such Member's membership began and the current status of such Membership (e.g., Member in Good Standing, resigned, suspended, deferred, or expelled). The Membership List shall constitute the official list of Members for all purposes. The Board of Directors shall fix a date not more than forty (40) days prior to the date of any meeting of Members as the record date for the determination of Members entitled to notice and to vote at such meeting, and only Members shown on the Membership List on such date shall be entitled to notice of or to vote at such meeting. No stock, membership certificate or other evidence of membership shall be issued. Only duly elected Directors shall have access to the Membership List and under no circumstance will the Membership List will be made available to the public or other Members.

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

Section 2. Transfer on Death of Member. Upon the death of a Member, the associated membership shall be terminated and the pro-rated portion of the membership fees shall be reimbursed to the estate of the deceased Member (hereinafter "Deceased Member"). However, should a member of the Deceased Member's immediate family (hereinafter "Surviving Member") wish to continue the Deceased Member's membership, the Surviving Member may petition the Board of Directors to continue the membership by submitting a new application as defined in Article V of this Amendment. Upon receipt, the Board of Directors shall consider the application and issue a decision consistent with the approval process as set forth in Article V of this Amendment. If the application is accepted, the previously reimbursed portion of the Deceased Member's membership fee shall be resubmitted to the Board of Directors in lieu of the Surviving Member's application fee or other transfer fee. The Continued Membership shall then operate under the original terms of the Deceased Member's membership, including but not limited to the adoption of the previously established renewal/expiration date. Upon approval, the Board of Directors shall change the Membership List to reflect the membership of the new, Surviving Member.

Section 3 Resignation, or Expulsion of a Member. Upon the resignation, or expulsion of any Member, the membership of such Member shall immediately terminate, and the Board of Directors shall change the Membership List to reflect such termination. No payment shall be made to any terminated Member for such membership except pursuant to such uniform rules and regulations as the Board of Directors may adopt with respect thereto.

ARTICLE X

CONTRACTS, LOANS, DEPOSITS, CHECKS, DRAFTS

Section 1. Contracts. Except as otherwise provided in these By-Laws or the Articles of Incorporation, the Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or to execute or deliver any instrument on behalf of the Swim Club, and such authority may be general or confined to specific instances, as voted on and agreed by the Board of Directors.

Section 2. Loans. No loans shall be contracted on behalf of the Swim Club and no evidence of indebtedness shall be issued in its name, unless and except as authorized by the Board of Directors (and the approval of the Members where it's Articles of Incorporation so require). Any officer or agent of the Swim Club so authorized may affect loans or advances for the Swim Club and for such loans and advances may make, execute and deliver promissory notes, bonds or other evidences of indebtedness of the Swim Club. Consistent with the provisions of the Articles of Incorporation and these By-Laws, any officer or agent, when so authorized, may mortgage,

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

pledge, hypothecate or transfer as security for the payment of any and all loans, advances, indebtedness and liabilities of the Swim Club any real property, stocks, bonds, and other securities and/or other personal property at any time held or owned by the Swim Club, and to that end may endorse, assign and deliver the same, and do every act and thing necessary or proper in connection therewith. Such authority may be general or confined to specific instances.

Section 3. Deposits. All funds of the Swim Club shall be deposited from time to time to the credit of the Swim Club in such banks or trust companies or with such bankers or other depositories as the Board of Directors may select, or as may be selected by any officer or officers, agent or agents of the Swim Club to whom such power may from time to time be given the Board of Directors.

Section 4. Checks, Drafts, Etc. All checks, drafts and endorsements shall be signed by the President or Treasurer, or in such other manner as the Board of Directors from time to time may by resolution determine. Endorsements for deposit to the credit of the Swim Club in any of its duly authorized depositories may be made by the President or Treasurer or by any officer or agent who may be designated by resolution of the Board of Directors in such manner as such resolution may provide.

ARTICLE XI

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The Board of Directors shall have responsibility to schedule at least one Annual Meeting of Members per calendar year. A quorum of Directors must attend the annual meeting. For the purposes of this Article, a quorum of Directors shall mean a majority of all Directors eligible to act where the number of Directors exceeds four (4); where Four (4) or fewer Directors are eligible to act, a quorum shall mean all Directors eligible to act.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or a quorum of the Board of Directors. A special meeting of the Members shall be called upon with request of Members entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Except as otherwise provided in the Articles of Incorporation or these By-Laws, written notice of each meeting of the Members shall be given by or at the direction of the Board of Directors not less than fourteen (14) days nor more than sixty (60) days before such meeting, to each Member entitled to vote there at. Such notice shall specify the place, day and hour of the meeting, and, in the case of a Special Meeting, the purpose of the meeting, including the text of any proposals to be voted on at such special meeting. Waiver by a

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

Member in writing of the notice required here in, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

Section 4. Quorum. Except as otherwise provided in the Articles of Incorporation or these By-Laws, the presence at the meeting of Members or their proxies entitled to cast ten percent (10%) of the votes appurtenant to each Class of voting membership shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Board of Directors. Every proxy shall be revocable and shall automatically cease upon discontinuance of Member status.

Section 6. Informal Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Swim Club to be kept in the minutes of the Swim Club.

ARTICLE XII

BOARD OF DIRECTORS

Section 1. Governance. The business and affairs of the Swim Club shall be managed by a Board of Directors.

Section 2. Number, Term of Office, and Qualification. The number of Directors of the Swim Club shall be at least four (4). At each Annual Meeting, the Members shall elect new directors to fill the vacancy or vacancies created by the director or directors whose term(s) is/are expiring to serve a term of three (3) years. Each director shall hold office until the end of his or her term (three (3) years), death, resignation, removal, or disqualification. In the event a successor (hereinafter "Successor Director") is not elected at the annual meeting and there would otherwise remain fewer than four (4) active Directors, the retiring/termining Director shall retain the duties and/or responsibilities of his or her position until a successor is elected. Special Meetings shall be scheduled and held every thirty (30) days until a Successor Director is elected. If after ninety (90) days a Successor Director has not been elected, the Board of Directors may select a non-Member to serve as a Director until the next Annual Meeting. If a non-Member Director is selected, the Board of Directors may, in its sole discretion, choose to

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

compensate the same with funds received by way of Special Assessment, as defined herein. The number of Directors of the Swim Club may be changed by a majority vote of the Board of Directors.

Section 3. Nomination. Nomination for election to the Board of Directors shall be made by any Member in Good Standing.

Section 4. Election of Directors. Except as provided in Section 6 of this Article, the Directors shall be elected by ballot of public vote at the annual meeting of Members. In such election, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled under the provisions of Article IV of these by-Laws. The person(s) receiving the highest number of votes shall be elected. Cumulative voting shall not be allowed.

Section 5. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members or a quorum of the Board of Directors of the Swim Club.

Section 6. Non-Expiration Vacancies. A vacancy occurring in the Board of Directors that is not the result of an expiring term may, but is not required to, be filled by the selection by the remaining Directors of a successor, who may serve for the unexpired term of his predecessor.

Section 7. Compensation. Except as stated within Section 2 of this Article, no Director shall receive compensation for any service he may render to the Swim Club in the capacity of Director. Actual and reasonable expense incurred for duties may be reimbursed.

ARTICLE XIII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly, without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Swim Club, or by any two directors, after not less than two (2) days' notice to each Director.

Section 3. Quorum. Except as stated in Section 1 of Article XI of this Amendment, a majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

Section 4. Informal Action by Directors. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if written consent to the action is collected from a quorum, whether done before or after the action so taken.

ARTICLE XIV

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) subject to the provisions of Article VI of the Articles Of Incorporation and the provisions of these By-Laws, review applications for and accept persons into membership in the Swim Club;
- (b) adopt, publish, and amend rules and regulations governing the use of Club Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (c) suspend a Member's voting rights and his right to use Club Property and facilities during any period in which he shall be in default in the payment of any membership charges levied by the Swim Club pursuant to Articles V and VI of these By-Laws. Such rights may also be suspended after such notice and hearing as the Board, in its sole discretion, shall establish, for a period not to exceed 60 days for infraction of the published rules and regulations of the Swim Club;
- (d) exercise for the Swim Club all powers, duties and authority vested in or delegated to the Swim Club and not reserved to the Members by other provisions of the Articles of Incorporation or these By-Laws.
- (e) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without good cause, at the discretion of the Board of Directors;
- (f) employ a management company to manage the operation of the Swim Club and employ such employees or other independent contractors as they deem necessary, and to prescribe their duties;
- (g) employ attorneys to represent the Swim Club when deemed necessary;

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

(h) grant easements for the installation and maintenance of sewer, utility or drainage facilities upon, over, under, and across the Swim Club Property, without the assent of the Members, when such easements are necessary for the convenient use and enjoyment of such Property;

(i) enter into leases; maintenance agreements, and other appropriate agreements with the Harrington Grove Community Association, Inc.;

(j) appoint and remove at pleasure all officers, agents, and employees of the Swim Club, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient;

(k) subject to the Articles of Incorporation and these By-Laws, establish and from time to time revise initiation fees, annual dues and other membership charges, and give notice of same to each Member at least thirty (30) days before the date upon which such membership charges will be due and payable;

(l) fix the amount of special assessments for capital improvements from time to time as deemed necessary, submit the same to the Members for approval when required by the Articles of Incorporation or these By-Laws, and, if approved, send notice of same to each Member at least thirty (30) days prior to the date upon which assessments will be due and payable, and collect same; and

(m) merge or consolidate with another nonprofit corporation as provided in the Articles of Incorporation.

Section 2. Duties of Directors. It shall be the duty of the Board to:

(a) keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members;

(b) supervise all officers, agents and employees of the Swim Club, and see that their duties are properly performed.

(c) fix the amount of the initiation fees, annual dues and other membership charges and collect same;

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

- (d) procure and maintain adequate liability insurance covering the Swim Club and adequate hazard insurance on the improvements and personal property owned by the Swim Club in an amount equal to one hundred (100%) insurable replacement value;
- (e) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate, and to obtain director's and officer's liability insurance;
- (f) provide for regular and thorough maintenance and cleanup of all Club Property;
- (g) pay all ad valorem taxes and public assessments levied against the real and personal property owned by the Swim Club;
- (h) hold Annual and Special Meetings and elections for the Board of Directors; and
- (i) prepare annual budgets and financial statements for the Swim Club and make same available for inspection by Members at all reasonable times.

ARTICLE XV

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Club shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution appoint.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Swim Club shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, be removed, or be otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of Club may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5A. Voluntary Resignation of Treasurer. Notwithstanding any of the above, a Director fulfilling the office and duties of Treasurer shall not give less than thirty (30) days' notice prior to voluntary resignation. Once notice has been provided, the aforementioned Treasurer shall provide to the remaining members of the Board of Directors all books and financial records of the Swim Club. The Treasurer shall have a duty to actively participate in the transfer of duties and responsibilities to the new Treasurer.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6A. Presidential Vacancy. The offices of President and Vice President shall never remain vacant for a period greater than thirty (30) days. In the event such a vacancy exceeds thirty (30) days, the Directors eligible to act shall meet at a time when all Directors are available and such meeting shall not adjourn until the vacant office(s) have been filled.

Section 7. Multiple Offices. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section B. Duties. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Members and of the Board of Directors, see that orders and resolutions of the Board are carried out, sign all leases, promissory notes, mortgages, deeds and other written instruments, and, in the absence of the Treasurer, shall sign all checks.

(b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, keep the corporate seal of the Swim Club and affix it on all papers requiring said seal, serve notice of meetings of the Board and of the Members, keep appropriate current records showing the Members of the Swim Club and their addresses, and perform such other duties as required by the Board. The Secretary shall act in the place and stead of the Vice-President in the event of his or

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all funds of the Swim Club and disburse such funds as directed by resolution of the Board of Directors, sign all checks of the Swim Club, oversee the accounting and books of account (including use of outside accounting), cause an annual audit of the Swim Club books to be made by an independent public accountant at the completion of each fiscal year, and prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting and made public to the Membership. The Treasurer shall act in the place and stead of the Secretary in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

ARTICLE XVI

BOOKS AND RECORDS

The books, records and papers of the Swim Club shall be subject to inspection by any Member or his authorized agent, at all times during reasonable business hours with not less than seventy-two (72) hours' notice. The Articles of Incorporation and the By-Laws of the Swim Club shall be made available for inspection at by any Member.

ARTICLE XVII

MISCELLANEOUS

Section 1. Corporate Seal. the Swim Club shall have a seal in circular form having within its circumference the words: Harrington Grove Swim & Racquet Club, Inc., Corporate SEAL, 1988, N.C.; and such seal, as impressed on the margin hereof is hereby adopted as the corporate seal of the corporation.

Section 2. Amendments. Except as otherwise provided herein, these By-laws may be amended or repealed, and new by-laws adopted by the affirmative vote of the majority of the Directors then holding office at any regular or special meeting of the Board of Directors.

These By-Laws may also be amended or repealed and new by-laws adopted at a regular or special meeting of the Members, by the affirmative vote of two-thirds (2/3) of the votes cast when a quorum is met.

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

No by-law adopted or amended by the Members shall be amended or repealed by the Board of Directors, except to the extent that such by-law expressly authorizes its amendment or repeal by the Board of Directors.

Section 3. Conflicts. Except as otherwise provided herein, in the case of a conflict between the Articles of Incorporation and these By-Laws, the Articles shall control.

Section 4. Indemnification.

(a) Any person who at any time is serving or has served as a director, officer, employee, or agent of the corporation, or who is serving or has served in any such capacity at the request of the corporation in any other corporation, partnership, joint venture, trust or other enterprise or, at the request of the corporation, as a trustee or administrator under any employee benefit plan, shall be indemnified by the corporation to the fullest extent permitted by law, including specifically the indemnification provided by the provisions of the North Carolina Nonprofit Corporation Act, including but not limited to indemnification against (i) reasonable expenses, including attorneys' fees actually and necessarily incurred by him in connection with any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the corporation, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (ii) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty or settlement for which he may become liable in any such action, suit or proceeding.

The Board of Directors of the corporation shall take all such action as may be necessary and appropriate to authorize the corporation to pay the indemnification required by the provisions of this Section 4(a), including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him and if required, giving notice to, and obtaining approval by, the shareholders of the corporation.

Any person who at any time serves or has served in any of the aforesaid capacities for, on behalf of, or at the request of the corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided under this Section 4(a). Such right shall inure to the benefit of the legal representatives of any such person may be exclusive of any other rights to which such person may be entitled apart from the provisions of this By-Law.

If the North Carolina Nonprofit Corporation Act is subsequently amended to eliminate or further limit the personal liability of directors or to authorize corporate action to eliminate

AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM & RACQUET CLUB, INC. DATED 10th JANUARY 2017

or further limit such liability, then the liability of the directors of this corporation shall, without any further action of the Board of Directors or the shareholders of the corporation, be eliminated or limited to the fullest extent permitted by the North Carolina Nonprofit Corporation Act as so amended.

(b) The corporation shall have the power to purchase and maintain insurance on behalf of any person who is serving or has served as a director, officer, employee or agent of the corporation, or who is serving or has served in any such capacity at the request of the corporation in any other corporation, partnership, joint venture, trust or other enterprise or, at the request of the corporation, as a trustee or administrator under any employee benefit plan against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would otherwise have the power to indemnify him against such liability.

(c) In addition to the indemnification authorized under the provisions of Sections 4(a) and 4(b) of this Article XVI and under the provisions of the North Carolina Nonprofit Corporation Act, the corporation, acting pursuant to a resolution adopted by its Board of Directors, may by contract agree to indemnify any person who at any time is serving or has served as a director, officer, employee or agent of the corporation, or in any such capacity at the request of the corporation in any other corporation, partnership, joint venture, trust or other enterprises or, at the request of the corporation, as a trustee or administrator under any employee benefit plan, against liability and reasonable litigation expenses, including attorneys' fees, arising out of his status as such or his activities in any of the foregoing capacities, regardless of whether any such liability or expense arises out of his status as such or his activities in any of the foregoing capacities before or after the date on which the contract is executed; PROVIDED HOWEVER, that the corporation may not agree under any such contract to indemnify any such person against any liability or litigation expense he may incur in relation to matters as to which he shall have been adjudged in such action, suit or proceeding to have acted in bad faith or to have been liable or guilty by reason of willful misconduct in the performance of duty.

(d) Any repeal or modification of the foregoing provisions of this Section 4 shall not affect any rights or obligations then existing with respect to any state of facts then or thereafter brought based in whole or in part on any such state of facts.

Section 5. Fiscal Year. The fiscal year of the Swim Club shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

**AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM &
RACQUET CLUB, INC. DATED 10th JANUARY 2017**

Section 6. Gender. Any use of the masculine gender in these By-Laws shall be construed so as to include the feminine gender.

**AMENDMENT TO BY-LAWS OF HARRINGTON GROVE SWIM &
RACQUET CLUB, INC. DATED 10th JANUARY 2017**


CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the Harrington Grove Swim & Racquet Club, Inc., a North Carolina corporation, and,

THAT the foregoing By-Laws constitute an amendment to the Original By-Laws as duly adopted at a meeting of the Board of Directors thereof, held on the 10th day of January 2017.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Swim Club, this the 10th day of January 2017.



Nicholas Spittal
Secretary

