

# **CLUB DUCK KEY, INC**

## **BY-LAWS**

(This printing of the By-laws dated Feb. 29, 2012 incorporates all amendments to date)

### ***Article I – Name***

The name of the corporation is Club Duck Key, Inc., incorporated under the Florida Non-Stock Corporation Act and referred to within these By-laws as the “Corporation”

### ***Article II – Purpose***

#### **A. General**

The Corporation is formed to encourage and promote the health and civic, social and general welfare of its members and to construct, operate and maintain for its members, park and recreational facilities, including a swimming pool and related facilities.

#### **B. Financial**

The Corporation is a non-profit organization. No pecuniary profit shall inure to the benefit of its directors, officers or members. To this end, the Corporation may not issue stock nor declare nor distribute any dividend. No part of the net income of the Corporation shall inure to the benefit of any director, officer or member of the Corporation. Further, any balance of money assets remaining after full payment of all obligations of any kind of the Corporation shall be devoted solely to the purposes enumerated in paragraph A of this Article.

### ***Article III – Definitions***

- 1 – Board: the duly elected Officers and Board of Directors of the Corporation.
- 2 – Shareholder: An individual or individuals holding a Share (Certificate of Membership) either solely or jointly.
- 3 – Share: (Certificate of Membership) indicia of legal ownership of a Share in the Corporation when signed by the President of the Corporation and the Secretary.
- 4 – Joint Membership: A Share issued in the name of a husband and wife living in the same household. At no time can two households claim ownership of a Share.
- 5 – Sole Membership: A Share issued in the name of one person.
- 6 – Special Membership: A class of membership of the Corporation as determined by these By-laws.
- 7 – Vacant Membership: A Share owned by the Corporation.
- 8 – Membership Fee: A fee payable by each prospective Shareholder prior to issuance of a Certificate of Membership as determined by the current market value of a Share in the Corporation.
- 9 – Dues: An assessment determined by the Board, approved by the Shareholders, and assessed according to these By-laws to Shareholders.
- 10 – Household Guest: A person visiting temporarily in the household of a Member.

- 11 –Administrative Fee: A fee due at the time of a sale of a Certificate of Membership.
- 12 –In Good Standing: A condition enjoyed by a Member who has paid all dues and special payments, as required, by the due date, or who has paid all dues, special payments, as required, and a penalty fee as required.
- 13 –Notice of Delinquency: A notice sent to a Member by the Secretary stating that dues and/or other monies owed to the Corporation have not been paid.
- 14 –Suspended Member: A member who has not paid dues and/or other monies owed the corporation within (30) days of mailing of the notice.

### **Article IV – MEMBERSHIP**

A. Classes of Members (All classes of members must be at least 18 years of age)

- 1. Shareholder
- 2. Special Member

The name of each a Member, together with the name of each Special Member, and Associate Member shall be listed in the official membership listing of the Corporation maintained by the Membership Chairman for identification, collection of annual dues and special payments, and the issuance of annual membership passes, among other things. Special Members will not pay annual dues and/or special payments.

- 3. Associate Member

The Associate Membership is a non-equity (non-shareholder, non-voting) membership. The cost of an Associate Membership is an annual fee of \$500 plus the current annual dues. If an Associate Member chooses to become a shareholder, the previous annual fees would go toward the \$3000 shareholder fee.

B. Application of Membership

- 1. Membership in the Corporation will be limited to Duck Key property owners and renters.
- 2. Membership shall not be denied to any adult on the basis of race, sex, age, nationality or ethnic origin, political beliefs, marital status or handicapping conditions.
- 3. Each applicant for purchase of a Certification of Membership shall submit, on a form furnished by the Board of Directors, a signed application on which the applicant shall agree to pay the membership fee, dues and any special payments established by the Board. The dues and special payments may be pro-rated, if applicable. Each applicant must be approved for Membership by the Board of Directors.

C. Purchase of Membership

All Certificates of Membership are purchased from the Corporation and may

be purchased solely or jointly. No Certificate of Membership is severable nor may it be held or the benefits enjoyed by an entity other than the entity to whom the Certificate of Membership is sold, except that a joint membership is considered to have been purchased with a right of survivorship. Further, a joint membership whose property rights are in common following dissolution or any other decree that shall have the effect of terminating a marriage or joint ownership may be converted to a sole membership in the name of one of the former spouses and/or owners. It shall be the sole responsibility of the member to advise the Corporation in writing of a change in the status of the membership. If the Corporation, without prior written notice, acts in good faith in accepting dues, assessments, and/or other payments from a member, such action shall be without recourse against the Corporation. Further, notice of payment to a member of the joint membership by the Corporation, without prior written notice to the Corporation of a change in status of a membership, shall be considered notice and payment to the joint membership and satisfaction of the Corporation's obligation to both parties to the joint membership.

D. Rights and Responsibilities of a Shareholder

1. A Shareholder shall pay to the Corporation, on or before the due date, all dues and special payments determined and assessed by the Board of Directors and approved by the Shareholders. Any payment not received by the due date may incur a penalty fee in an amount determined by the Board of Directors. No Shareholder shall be permitted access to the park and recreational Facilities provided by the Corporation until such dues, special payments and applicable penalty fees are received by the Corporation, except authorized by the Board of Directors. Annual dues and special payments are payable by each Shareholder until such time as their Certificate of Membership is sold.
2. A Shareholder may surrender to the Board of Directors the Certificate of Membership together with a request signed by the Shareholder that the Corporation offers the Certificate of Membership for sale to an applicant for purchase of a Certificate of Membership. If a Shareholder secures a willing purchaser for said unsold Certificate of Membership, that sale may be processed according to paragraph E.2 of this Article.
3. All Shareholders in good standing shall be entitled to use the swimming pool and all park and recreational facilities provided by the Corporation subject to such reasonable restrictions and regulations promulgated by the Board of Directors.

4. All Shareholders are responsible for keeping the Secretary and/or Membership Chairman informed of their current mailing address.
- E. Duties of the Board of Directors with Respect to Membership
1. The Board of Directors shall determine annually, with approval of the Shareholders, the dues and any special payments to be assessed to the Shareholders of the Corporation. The Board of Directors shall then notify each Shareholder of the dues and special payments assessed to the Shareholders. Notification of dues and special payments assessed shall be made by first-class mailing.
  2. The Board of Directors or its designee shall, within a reasonable time after receiving a completed application for purchase of a Certificate of Membership, render a decision and advise the applicant. If the Board of Directors approves an application along with payment of the application fee, the Corporation receives dues and special payments under paragraph B of this Article, the President shall cause a Certificate of Membership to be delivered to the shareholder. If the Board of Directors fails to approve an application for purchase of a Certificate of Membership, any payment received from the applicant by the Corporation shall be returned to the applicant.
  3. The Board of Directors, under paragraph E.2 of this Article, shall issue The Certificate of Membership to the Shareholder.
  4. The Board of Directors, within a reasonable time, shall consider each signed application of a Shareholder for conversion of membership. The Board of Directors may not approve any application for conversion of membership unless the Shareholder is in good standing.
  5. The Board of Directors shall suspend any Shareholder failing to pay annual dues and as applicable, all other monies owed the Corporation within thirty (30) days after notice of delinquency has been deposited with the U.S. Postal Service and sent by registered or certified mail or any other type of mail service to provide a return receipt, to the address appearing on the records of the Corporation. Any member thus suspended shall be notified promptly in writing by the Secretary of the Corporation of such suspension. If dues and all other monies owed the Corporation are not paid within fifteen (15) days after sending of such notice, that person shall cease to be a Member of the Corporation.
  6. The Board of Directors may, at its discretion and by affirmative vote of fifty-one per cent (51%) of its seven (7) members, after the Shareholder has had an opportunity to appear before and be heard by the Board of Directors, cancel the Certificate of Membership of a Shareholder and privileges whose actions are determined to be detrimental to the interest of the Corporation. Such disenfranchised Shareholder whose privileges have been canceled may be reinstated upon written appeal, filed with the Secretary of the Corporation within thirty (30) days of notification, if approved by a majority of the Board of Directors eligible to vote, in person or by proxy.
- F. Complement of the Membership of the Corporation

1. The Corporation shall be limited to 125 Shareholders or a number established by the Board of Directors.
2. When the total number of Shareholders is at the allowable maximum, the names of applicants for purchase of a Share shall be placed on a waiting list in chronological order of the Board of Directors receipt of the application.

## **ARTICLE V – MEETINGS**

- A. Annual Meeting  
An annual meeting of the members shall be held in the winter of each year, at a time and place of the Board of Directors designation.
- B. Special Meeting  
Special meetings may be called at any time by the President or Board of Directors. Special meetings shall be called by the Secretary upon the written request of not fewer than twenty (20%) percent of the total number of the membership in good standing.
- C. Notice of Meeting.  
Written notice stating the place, day and hour of the annual meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than thirty (30) days before the date of the meeting, either personally or by mail to each member entitled to vote at such a meeting. In the case of the annual meeting, such notice shall also include a proposed budget and detailed agenda. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail, with first-class postage affixed and addressed to the Member at the address as it appears on the records of the Corporation.
- D. Minutes of Meetings  
The membership will be mailed and/or e-mailed a copy of the minutes of the Annual Meeting and any Special Meeting.

## **ARTICLE VI – VOTING**

- A. Eligibility
  1. Each Shareholder in good standing shall be entitled to one (1) vote on all matters presented to the Shareholders for a vote at an annual and any special meeting, as may be called.
  2. The Share of a Shareholder eligible to vote may be voted in person or by

proxy executed in writing by the Shareholder. No proxy shall be valid after eleven (11) months from its date unless otherwise provided in the proxy and no proxy may be exercised unless it is filed with the Secretary of the Corporation prior to the meeting at which it is voted; however, a spouse of a Shareholder, in the case of sole ownership, may vote in person if the Shareholder is not present.

3. Members holding fifty-one (51%) percent of the votes entitled to be cast, appearing in person or represented by proxy, shall constitute a quorum. The vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members except as stated in these By-laws.

B. Nominating Committee

1. The Board of Directors shall appoint, by November 15 of each year, a nominating committee consisting of 5 members, to nominate candidates for election as Officers and Board of Directors. The members of the committee shall elect the chairman of the committee. The committee shall provide at least one candidate for each Board of Director office to be voted upon by the membership at the annual meeting. The nominations shall be decided upon by a majority of the entire committee, and a report therein signed by the chairman shall be filed with the Secretary not less than twenty (20) days before the annual meeting at which directors are to be elected.
2. Nominations may also be made by members of the Corporation from the floor at the annual meeting.

### ***ARTICLE VIII – THE BOARD OF DIRECTORS***

A. Purpose

The affairs of the Corporation shall be managed by a Board of Directors Selected from Shareholders of the Corporation in good standing.

B. Composition and Term

The Board of Directors shall consist of seven (7) persons elected at the annual meeting.

C. Vacancies and Removal

Any vacancies which occur on the Board prior to the expiration of the first

year of an Officer's or Director's term of office shall be filled for the balance of such term at the next annual meeting. Vacancies may be filled until the annual meeting by majority action of the Board of Directors at any regular or special meeting of the Board of Directors.

D. Quorum

A majority of the Officers and the Board of Directors will constitute a quorum for the transaction of business. The act of the majority of the Officers and Board of Directors present at a meeting at which a quorum is present will be Act of the Board of Directors except as otherwise provided for in these By-laws.

E. Powers

The Board of Directors shall exercise all powers of the Corporation not specifically committed by the Articles of Incorporation, the statutes of the State of Florida, or these By-laws to the membership and may adopt rules and regulations not inconsistent therewith.

## **ARTICLE – IX MEETINGS OF DIRECTORS**

A regular meeting of the Board of Directors shall be held at least twice during The winter months (Oct. - Apr.). The President may call a special meeting of the Board of Directors at any time and shall do so upon the written request of any three Officers and/or Directors. The President shall fix the time and place of each meeting.

## **ARTICLE X – OFFICERS**

A. Nomination and Election

1. The Officers of this Corporation shall include a President, First Vice-President, Second Vice-President, Treasurer and Secretary, all of who shall be elected by the Shareholders at an annual meeting.
2. No member may serve as President for more than three consecutive years. The person nominated as President shall have served at least one year as a member of a prior Board. The Officers shall assume the responsibilities of the office at the end of end of the annual meeting at which they are elected.

B. Duties and Responsibilities

1. The President shall:
  - a. be the chief executive officer of the Corporation;
  - b. Preside at the annual meeting and special meetings of the members and the regular and special meetings of the Board;
  - c. Actively direct the affairs of the Corporation to the end that its purposes specified in Article II hereof shall be accomplished;

- d. Investigate charges of misconduct and other activities prejudicial to the best interest of the Corporation, and report such findings to the Board;
  - e. Shall be responsible for making sure that all required tax forms are filed in a timely manner for the Corporation with the State of Florida and/or Internal Revenue Service;
  - f. May appoint a parliamentarian for the Annual Meeting and any Special Meeting; and
  - g. Perform such other duties as may be directed by resolution of the Board.
2. The First Vice-President shall:
- a. have and exercise all the powers, authority and duties of the President during the absence of the President or the inability to perform the duties and responsibilities of his or her office;
  - b. perform such other duties as directed by the President or the Board of Directors.
3. The Second Vice-President shall:
- a. have and exercise all the powers, authority and duties of the President and the First Vice-President or their inability to perform the duties and responsibilities of their offices;
  - b. perform such other duties as directed by the President or the Board of Directors.
4. The Treasurer shall:
- a. have custody of all funds, securities, deeds of property, Articles of Incorporation, By-laws, use permits, insurance papers, tax records, annual reports and other intangible assets of the Corporation;
  - b. provide and maintain full and complete records of all assets and liabilities of the Corporation;
  - c. prepare and submit at each regular meeting of the Board of Directors a financial statement of the condition of the Corporation as of the last day of the preceding month;
  - d. prepare such tax reports and information returns as local, state and federal laws require;
  - e. serve as chairman of the Finance Committee; and
  - f. prepare and distribute to each member a projected financial statement prior to the annual meeting.
5. The Secretary shall:



- a. prepare and maintain full minutes of all meetings of the Board of Directors;
- b. give proper notice of the annual meeting and each special meeting to the Shareholders;
- c. maintain the record of Shareholders of the Corporation; and
- d. produce and announce all proxies filed to any Shareholder meeting.

## **ARTICLE XI – COMMITTEES**

### **A. Standing Committees**

The following standing committee chairs shall be filled from among the Shareholders of the Corporation:

1. The Pool Operations Committee:
  - a. operates the pool facilities;
  - b. prepares rules for the use of the grounds and facilities, exclusive of the tennis courts;
  - c. determines, subject to Board approval, who may use the grounds and facilities exclusive of the tennis court(s) and under what conditions.
2. The Tennis Operations Committee:
  - a. operates the tennis courts;
  - b. prepares rules for the use of the tennis courts;
  - c. serves as tennis teams' advocate before the Board;
  - d. determines, subject to Board approval, who may use the tennis court(s).
3. The Engineering, Construction and Maintenance Committee:
  - a. plans for and supervises the construction, technical operation and repair of all Corporation facilities;
  - b. purchases, maintains and repairs Corporation equipment; and
  - c. presents construction, repair and maintenance reports to the Board of Directors on a regular basis, as needed.
4. The Membership Committee:
  - a. maintains an official membership listing of the Corporation including the names of all Shareholders;
  - b. maintains a waiting list of applicants for purchase of a Certificate of Membership;
  - c. investigates and reports to the Boars of Directors regarding the desirability of applicants for membership; and
  - d. maintains a list, in chronological order of receipt by the Board of Directors, or Shareholders who have surrendered a Certificate of

Membership to the Corporation for sale, for any purpose.

5. The Finance Committee:
  - a. prepares the proposed annual budget, after the approval of the annual program, for submission to and approval by the Board;
  - b. makes recommendations for dues for the ensuing year; and
  - c. makes recommendations with reference to financial matters of the Corporation.
  
6. The Legal Committee:
  - a. interprets the by-laws of the Corporation, such interpretation being binding on the Shareholders;
  - b. approves all contracts prior to their award;
  - c. approves all legal actions prior to their execution; and
  - d. performs all other duties of a General Council.
  
7. The Social Committee:
  - a. prepares a list of proposed social activities for approval by the Board of Directors;
  - b. schedules and executes the same; and
  - c. provides the Board with an annual report of the Social Fund account.

B. Ad Hoc Committees:

1. The President shall constitute and appoint such other committees as he/she shall deem necessary or expedient for the welfare of the Corporation.
2. The President may convene and Ad Hoc Committee of Past Presidents to Meet with the Board of Directors and to provide guidance and counsel.

**ARTICLE XII – PROPERTY AND FINANCES**

A. Facility Extension

Any extension of the facilities shall take place only if it is approved by a majority of the Shareholders present in person or by proxy designated in writing at the annual or a special meeting of the Shareholders.

B. Proposed Budget

All capital and operating expenditures contemplated by the Corporation for the ensuing calendar year shall be included in the proposed annual budget submitted to the Shareholders at the annual meeting. Subsequent to budget approval, the Board of Directors is authorized to expend up to two thousand dollars (\$2000.00) for unforeseen essential requirements, which were not in the annual budget approved by the Shareholders.

- C. Non-Budgetary Expenditures in Excess of Five Hundred Dollars (\$500.00)  
Any obligation or expenditure of the corporate assets in excess of five hundred dollars (\$500) requires the prior approval of the Board of Directors, except that the President may authorize an emergency expenditure not to exceed one thousand dollars (\$1000).
- D. Real Property  
No real property may be acquired, sold or transferred unless approved by a Majority of the Board of Directors present in person or by written proxy at a Board meeting.
- E. Funds Management:
1. All funds of the Corporation shall be deposited in such qualified depository or depositories as the Board of Directors may designate and shall be so deposited within a reasonable amount of time. However, receipts in the aggregate of one hundred dollars (\$100) or less need not be deposited more than once a week.
  2. All disbursements of Corporation funds shall be made by checks signed by the Treasurer, the President or by other Board members specifically authorized. However, the Board may by resolution provide for the establishment and replenishment of a petty cash fund not to exceed fifty dollars (\$50) for postage and for defraying expenses of the Corporation in amounts of twenty-five dollars (\$25) or less.
  3. The funds of the Corporation, except those on deposit as provided in this Article, those utilized in redeeming membership fees as provided in Article IV, or used in acquiring recreational facilities, may be invested only in obligations of, or insured by the United States Government. They may not be loaned to, or invested with any officer, Director or Shareholder of the Corporation, or with any person, agency or governmental instrumentality.
  4. The Board may provide for the establishment and replenishment of a Social Fund Account not to exceed two thousand dollars (\$2000.00) from which the Social Chair can pay upfront expenses and reimburse costs associated with social functions. This account can also be used to deposit proceeds from social functions, raffles and other fund raising activities. Deposits and withdrawals to the Social Fund Account shall be reported at each meeting of the Board of Directors.
- F. Annual Audit:  
The Board of Directors shall cause the books of the Corporation to be audited annually by the auditors selected by the Directors. Such auditors shall not be the Directors of the Corporation and the report of the auditors shall be available to the Shareholders at all reasonable times.

### **ARTICLE XIII – COMPENSATION AND INDEMNIFICATION**

A. Officer Compensation:

All Officers and Directors of the Corporation shall serve without Compensation in such capacities.

B Director Liability:

Each person now or hereafter a director or officer of the Corporation ( and his heir, executors and administrators) shall be indemnified and held harmless by the Corporation against all claims, liabilities, judgments, settlements, costs and expenses, including all attorneys' fees imposed upon or reasonably incurred by him/her in connection with or resulting from any action, suit, proceeding or claim to which he/she is or may be made a party by reason of his/her being or having been an officer or director of the Corporation at the time such costs or expenses are incurred by or imposed upon him/her, except in relation to matters as to which he/she shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of his/her duties as such director or officer, or in the event of settlement. The indemnification shall be made only if the Corporation shall be advised by the Board of the Corporation or by independent council to be appointed by the Board, that in its or his/her opinion such settlement was or is in the best interest of the Corporation. If the determination is to be made by the Board, it may rely as to all questions of law on the advice of independent council. Such right of indemnification shall not be deemed exclusive of any right which and officer of director may be entitled under any other by-law, agreement, vote of stockholders or otherwise.

### **ARTICLE XIV - FISCAL YEAR**

The fiscal year of the Corporation shall run from 1 January to 31 December (year).

### **ARTICLE XV – RULES AND PROCEDURE AND ORDER OF BUSINESS**

A. Conduct of Corporation Meetings:

Except as otherwise provided in these By-laws, the meeting of the Corporation shall be conducted in accordance with Robert's Rules of Order and whatever other rules the Board may adopt.

B. Order of Business:

The order of Business at regular meetings of the Board of Directors and of the Shareholders shall be:

5. Call to order
6. Approval of minutes of previous meeting
7. Presentation of agenda
8. Reports of officers

9. Standing committee reports
10. Special committee
11. Unfinished business
12. New business
13. Summary
14. Adjournment

### **ARTICLE XVI – GENERAL**

- A. All powers, authority, duties and functions of the members, directors, officers and employees of the Corporation shall be exercised in strict conformity with applicable provisions of the law and regulation and of the Charter and By-laws of the Corporation.
- B. Safekeeping Important Records:  
Copies of the organization papers of the Corporation, its By-laws and the membership books of the Corporation, shall be preserved in a place of safekeeping. Returns of elections and proceedings of all meetings of the directors and Shareholders shall be recorded in the minute book. The minutes of all meetings shall be signed by the President and Secretary, or by those persons acting in their place.

### **ARTICLE XVII – AMENDMENTS**

Amendments to these By-laws may be proposed by a Shareholder in good standing at an annual or special meeting. The proposing Shareholder shall notify the Secretary of the Corporation in writing in sufficient time for the amendment to the By-laws to be included in the notice of such meeting as provided in Article V. Amendments to the By-laws offered to the Shareholders must be approved by two-thirds of the Shareholders present or represented by written proxies.

