

CLUB DUCK KEY, INC

BYLAWS

(This printing of the bylaws dated December 23, 2018 incorporates all proposed 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 bylaws as the “Corporation.”

Article II – Purpose

A. General

The Corporation is formed to encourage and promote the health, 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

A. Board: the duly elected Officers and Board of Directors of the Corporation.

B. Equity Member: An individual or individuals holding a Share (Certificate of Membership) either solely or jointly.

C. 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.

- D. Joint Membership: A Share or membership issued in the name of no more than two (2) individuals living together as a family unit in the same household. At no time can two separate family units claim ownership of a Share.
- E. Sole Membership: A Share or membership issued in the name of one person.
- F. Associate Member: The Associate Membership, held either solely or jointly, is a non-equity, non-voting membership that cannot be sold.
- G. Special Membership: A class of membership of the Corporation as determined by these bylaws.
- H. Membership Fee: A fee payable by each prospective Equity Member prior to issuance of a Certificate of Membership as determined by the current market value of a Share in the Corporation.
- I. Dues: An annual assessment determined by the Board, and approved by the Equity Members if required and assessed to all members according to these bylaws.
- J. Household Guest: A person (not a local resident) visiting temporarily (up to three weeks) in the household of a Member.
- K. Administrative Fee: A fee due at the time of a sale of an equity membership.
- L. In Good Standing: A condition enjoyed by a Member who has paid all dues, special payments, as required.
- M. Notice of Delinquency: A notice the Secretary sends to a Member stating that dues and/or other monies owed to the Corporation have not been paid.
- N. Suspended Member: A member who has not paid dues and/or other monies owed the Corporation within (30) days of the mailing of the notice.

Article IV – Membership

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

- 1. Equity Member

An Equity Member is a current shareholder of the corporation in good standing. An Equity Member has full voting privileges. The cost of an Equity Membership is an initial membership fee plus the current annual dues.

- 2. Associate Member

The Associate Membership is a non-equity, non-voting membership. The cost of an Associate Membership is an annual fee, if any to be determined by the board, plus the current annual dues. If an Associate Member chooses to become an Equity Member, the previous annual fees, (excludes annual dues) if any would be applied towards the Equity Membership fee.

B. Application of Membership

1. Membership in the Corporation will be limited to Duck Key property owners and renters, and no more than 25 memberships from Monroe County outside of Duck Key.
2. Membership shall not be denied to any adult on the basis of race, sexual orientation, gender, religious belief, age, nationality or ethnic origin, political beliefs, marital status or health or physical conditions.
3. Each applicant for purchase of a Certificate of Membership or any Associate Membership shall submit a signed application furnished by the Board of Directors, in which the applicant shall agree to pay the membership fee (if applicable), dues and any special payments. 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 Equity

All new 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. 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 All Members

1. All members 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 Equity Members if required by these bylaws. Any payment not received by the due date may incur a penalty fee in an amount determined by the Board of Directors. No member 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.
2. An Equity Member shall surrender to the Board of Directors of the Certificate of Membership together with a request signed by the Equity Member that the Corporation offer the Certificate of Membership for sale to an applicant for purchase of a Certificate of Membership. If an Equity Member secures a willing purchaser for said unsold Certificate of Membership that sale may be processed according to paragraph E2 of this article.
3. All members in good standing and their household guests 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. Local resident guests shall be permitted use of the facilities in the company of a member no more than two (2) occasions in any 52 week period.
4. Members 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, the dues and any special payments to be assessed to the members of the Corporation. If such dues shall be increased by more than 5% over the prior year's annual dues the approval of the Equity Members must be obtained. All special assessments except for an emergency assessment shall be approved by the Equity Members. The Board of Directors shall then notify each member of the dues and special payments, if any, assessed to the members. Notification of dues and special payments assessed may be made by first-class mailing or email.

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 or Associate, shall render a decision and advise the applicant. If the Board of Directors approves an application along with payment of the application fee and 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 Equity Member and an approval to applicants for Associate Membership. If the Board of Directors fails to approve an application for purchase of a Certificate of Membership or one for an Associate 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 authorize the issuance of a Certificate of Membership to the Equity Member and an approval letter to an Associate Member.
 4. The Board of Directors shall suspend any member failing to pay annual dues owed the Corporation. Notice of delinquency will be sent by a registered or certified mail within thirty (30) days. After 15 days, if the dues and all other monies still have not been paid, that person shall cease to be a member of the Corporation.
 5. The Board of Directors may, at its discretion and by a fifty-one per cent (51%) vote of the board, cancel the membership of a member whose actions are determined to be detrimental to the interests of the Corporation. Such disenfranchised member 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 Equity Members and a number of associate members to be established by the Board.
 2. When the number of memberships is at the allowable maximum, the names of applicants shall be placed on a waiting list in chronological order as received by the Board of Directors.

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 President's or Board of Directors' designation.

B. Special Meeting

Special meetings may be called by the President or Board of Directors. Special meetings can be called by the Secretary upon the written request of not fewer than twenty percent (20%) of the Equity Members.

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 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, by mail, or email 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.

D. Video-Conferencing

At the direction of the Board of Directors, meetings can be held by video or telephone conference.

Article VI – Voting

A. Eligibility

1. Each Equity Membership in good standing shall be entitled to one (1) vote on all matters presented to the Equity Members for a vote at an annual and any special meeting, as may be called.
2. The Share of an Equity Member eligible to vote may be voted in person or by proxy executed in writing by the Equity Member.
3. Members holding fifty-one percent (51%) of the votes of Equity Members entitled to be cast, appearing in person or represented by proxy, shall constitute a quorum. The vote of a majority of the votes cast by the Equity 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 on by the members except as stated in these bylaws.

B. Nominating Committee

1. The Board of Directors shall appoint, by November of each year, a nominating committee consisting of no less than three (3) Equity Members to nominate candidates for election as Officers and Board of Directors. The members of the committee shall elect the chairperson of the committee. The committee shall provide at least one (1) 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 chairperson shall be filed with the Secretary not less than twenty (20) days before the annual meeting at which the Officers and Directors shall be elected.
2. Nominations may also be made by members of the Corporation from the floor at the annual meeting.

Article VII – The Board of Directors

A. Purpose

The affairs of the Corporation shall be managed by a Board of Directors selected from the Corporation Equity Members in good standing, and be conducted in person or by telephone conferencing or email.

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 a 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 shall constitute a quorum for the transaction of business. The act of the majority of the Officers and Directors present at a meeting at which a quorum is present shall be the final decision, except as otherwise provided for in these bylaws.

E. Powers

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

Article VIII – 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 (3) Officers and/or Directors. The President shall fix the time and place of each meeting.

Article IX – Officers

A. Nomination and Election

1. The Officers of this Corporation shall include a President, Vice-President, Treasurer, Secretary and three (3) Directors.
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 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 the 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 the 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 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 of the President to perform the duties and responsibilities of his or her office;
 - b. Perform the duties and responsibilities of his or her office.
3. The Treasurer shall:
- a. Have custody of all funds, securities, deeds of property, Articles of Incorporation, bylaws, use permits, insurance papers, tax records, annual reports and other tangible 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 chairperson of the Finance Committee; and
 - f. Prepare and distribute to each member a projected financial statement prior to the Annual Meeting.
4. 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 of the Equity Members;
- c. Maintain the record of Equity Members of the Corporation; and
- d. Produce and, in any Equity Members' meeting, announce all proxies filed.

Article X – Committees

A. Standing Committees

The following standing committee chairs shall be filled among the Equity Members 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 pool, hot tub and the surrounding deck area and under what conditions.
2. The Grounds Sports Committee
 - a. Operates the tennis, bocce, horseshoes and pickle ball courts;
 - b. Prepares rules for the use of the courts;
 - c. Serves as the teams/courts advocate before the Board;
 - d. Determines, subject to Board approval, who may use the courts.
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 members;
 - b. Maintains a waiting list of applicants for purchase of a Certificate of Membership;

- c. Investigates and reports to the Board of Directors regarding the desirability of applicants for membership; and
 - d. Maintains a chronological list of Equity Members who have surrendered Certificates of Memberships to the Corporation for sale, for any purpose.
- 5. The Finance Committee
 - a. Prepares the proposed annual budget, after the approval of the Annual Meeting, 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 bylaws of the Corporation, such interpretation being binding on all Equity Members;
 - 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 Counsel.
- 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 an Ad Hoc committee of past Presidents to meet with the Board of Directors to provide guidance and counsel.

Article XI – Property and Finances

- A. Facility Extension

Any extension of the facilities shall take place only if it is approved by a majority of the Equity Members present in person or by proxy at the Annual or Special Meeting of the equity members.
- B. Proposed Budget

All capital and operating expenditures contemplated by the Corporation for the ensuing calendar year shall be included in the annual budget submitted to the Members at the annual meeting. At any time, the Board of Directors is authorized to spend funds for unforeseen essential requirements, which were not in the annual budget.

C. Approval of Proposed Budget

The Board shall adopt and approve such annual budget subject to the provisions of these bylaws by November 30 of each year. Prior to the approval of the Board the Equity Members shall receive a copy of the proposed budget by November 10th of each year and shall have ten (10) days to provide their written input to the Board relative to any budget item. The Board shall duly consider such input in the finalization and approval of the Annual Budget. Non-Budgetary Expenditures in excess of one thousand dollars (\$1000.00) requires the prior approval of the Board of Directors, except that the President may authorize an emergency expenditure not to exceed one thousand five hundred dollars (\$1500.00). Any emergency expenditure between \$1501.00 to \$5000.00 shall be approved by the President and two (2) Board Members. Any emergency expenditure in excess of \$5000.00 shall require Board approval in the manner required by these bylaws.

D. Real Property

At a board meeting, no real property may be acquired, sold or transferred unless approved by a majority of the Board of Directors present or by proxy.

E. Funds Management

1. All funds of the Corporation shall be deposited in such qualifying 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 one hundred dollars (\$100) for defraying expenses of the Corporation.
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 inspired by, the United States government. The funds may not be lent to, nor invested with any officer, director or Equity Member 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 may 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 Equity Members at all reasonable times.

Article XII – 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/her heir, executors and administrators) shall be indemnified and held harmless by the Corporation against all claims, liabilities, judgments, settlements, costs and expenses. This includes 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 at 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 a settlement. The indemnification shall be made only if the Corporation shall be advised by the Board of the Corporation or by independent counsel 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 counsel. Such right of indemnification shall not be deemed exclusive of any right which an officer or director may be entitled to under any other bylaw, agreement, or vote of stockholders or otherwise.

Article XIII – Fiscal Year

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

Article XIV – Rules and Procedure and Order of Business

A. Conduct of Corporation Meetings

Except as otherwise provided in these bylaws, the meetings 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 Equity Members shall be:

1. Call to order
2. Approval of minutes of previous meeting
3. Presentation of agenda
4. Reports of officers
5. Standing committee reports
6. Special committee
7. Unfinished business
8. New business
9. Summary
10. Adjournment

Article XV – 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 bylaws of the Corporation.
- B. Safekeeping Important Records: Copies of the organization papers of the Corporation, its bylaws and 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 Equity Members 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 XVI – Amendments

Amendments to these bylaws may be proposed by Equity Members in good standing at an annual or special meeting. The proposing Equity Member shall notify the Secretary of the Corporation in writing by December 31st of each year to afford time for the amendment to the bylaws to be included in the notice of such meeting as provided in Article V. Amendments to the bylaws offered must be approved by two-thirds (2/3) of a quorum of the Equity Members present or represented by written proxies.