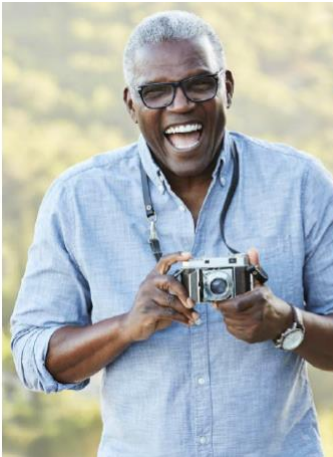


ALTIS

Policy for Chartered Clubs





Introduction

Chartered clubs are sponsored by Altis Master Association, Inc. to provide an opportunity for all Association members to pursue common interests in hobbies, recreational, social, and cultural endeavors. The facilities are for the exclusive use of members and their guests. It is hoped that this manual will provide both guidance and structure to the chartered club system and encourage the general membership to fully participate and enjoy the programs and facilities being provided.

1. Chapter One: General Information

1.1. Authority:

The authority to charter clubs' rests with the Board (hereinafter "Board") of the Altis Master Association (hereinafter "Association") unless delegated to Association Management staff. All rules and procedures outlined herein are in agreement with the Association's governing documents. If a conflict arises, the governing documents prevail.

1.2. Responsibilities:

- A. Association Management staff is responsible for coordinating and implementing policy for chartered clubs, allocating facility space and assisting clubs with operational concerns.
- B. The **Lifestyle Director** is responsible for assisting clubs with facility scheduling, special programs and publicity/promotion. This individual is the focal point for coordinating all Association/club matters of interest.
- C. Club officers are elected as per charter. Club officers are responsible for overseeing all aspects of a club's operation and administration.



1.3. Allocation of Facility Space:

Space allocation is dependent upon membership interest in a club's activities and the availability of Association space. As space allows, chartered clubs are provided with regular meeting and activity space, without charge. In addition, chartered clubs will be provided with meeting space for up to two special club events annually at a discounted rate determined by the Board. The Association reserves the right to preempt club space, however, if the needs of the general membership require it.

1.4. Administration:

To assist clubs in the administration of their programs, and to provide the Association with necessary operating data, a series of forms have been developed. All club forms are identified by the prefix "CC."

1.5. Civic and Community Service Organizations and Interest Groups:

Many groups will form that benefit various community service and religious needs, but do not satisfy the intent for a chartered club. In these instances, the Association will attempt to provide requested facility space to assist in start-up activities. Space may be provided on a first-come, first-serve basis, but it will not be allocated to preempt, or disrupt an Association sponsored activity. When space is allocated, the required rental fee will be initially waived for a period of 6 months (from date of allocation), then a resident facility room rental fee will be charged. In all cases, the Association reserves the right to disapprove requests for community service space, or curtail a previous authorization, if the needs of the general membership warrant.

1.6. The Chartered Club Chairpersons Council:

The Chartered Club Chairpersons Council is comprised of one Chairpersons from each chartered club. The Chartered Club Chairpersons Council meets periodically on a frequency determined by the Council along with the **Lifestyle Director** to share information. In addition, the Chartered Club Chairpersons Council serves in an advisory capacity to the Board, making recommendations regarding the chartered clubs, room usage, equipment replacements, and other needs that may impact the chartered clubs.

- A. Officers - The Chartered Club Chairpersons Council shall appoint three officers. The officers and the length of terms served are as follows:
 - 1. A Chairperson - one-year term.
 - 2. A Vice Chairperson - one-year term.
 - 3. A Secretary - one-year term.
- B. Document Review and Orientation Sub-Committee - The Document Review and Orientation Sub-Committee is comprised of a minimum of three and up to five Chartered Club Chairpersons. Their primary responsibility is to annually review the Chartered Club Rules and Procedures Manual each January and recommend revisions to the Chartered Club Chairpersons Council who, in turn, provides its recommendations to the Board. Note: Final revisions of the Chartered Club Rules and Procedures Manual rest with the Board.



2. Chapter Two: Establishing a Chartered Club

2.1. General:

Any group of Association members who are interested in pursuing a particular hobby, recreational, social or cultural endeavor may join together as a chartered club, subject to the procedures and parameters outlined herein. Chartered clubs are the nucleus of the Association's program and they provide both structure and impetus to that element. Proper coordination between the Association and prospective clubs is necessary to ensure that the intent for charter has been satisfied, and that Association space is both adequate and available to support the intended club function.



2.2. Charter:

The charter is the formal written authorization granting club status. Chartered clubs are given priority for regular facility use and meetings (without charge). Additionally, they are provided special rates for the use of The Club during special events and other special activities; extended specific coverage from the Association's insurance program; and given technical assistance in the administration and operation of their activities from Association Management.

- A. Charters are not granted to groups, which require, as a precondition for club membership, subsequent membership in affiliated national, state, or regional organizations. Any affiliation must be optional on the part of the individual member.
- B. Once chartered, clubs may not merge with another non-Association entity, require its members to join another corporation, or become incorporated in its own right. If a merger or incorporation occurs, the club's charter will be revoked.
- C. Charters will not be approved for any group that sets a restrictive precondition for membership. Membership must be open to all bona fide members of the Association without discrimination as to race, religion, color, ethnic culture, or national heritage. Note: Segregated activities for male and female members may be established if desired by both genders, and each gender has the same opportunity to pursue common interests; e.g., men's and ladies' social clubs, men's and ladies golf clubs.

- D. To maximize facility space, charters will not be granted to groups whose purpose is similar to existing clubs using the same common facility. For example, if a ballroom dance club has been chartered, a second group desiring a charter to do the same thing would be denied.
- E. Charters may be revoked for the following reasons: when club membership declines below the established minimums; when clubs violate Association policies or rules; when an irreconcilable conflict occurs within the membership; when a situation occurs which projects the club, or the Association, in an undesirable or embarrassing position; or when a club violates Federal, state, or local government laws or ordinances. The decision to revoke a charter occurs following a recommendation by Association Management and approval by the Board. The decision may be appealed by providing written justification to the Board within 14 days of the written notice. The Board will provide a final notice of decision within 30 days of receiving the written appeal.



2.3. Procedures for Charter Application:

Thoroughly review a copy of Chartered Club Rules and Procedures Manual to become familiar with the chartered club system.

The **Lifestyle Director** will clarify questions and provide general assistance.

- A. Go to the AltisLifestyle.com web site and fill out the online forms for the Application Package which includes the following:
- Form CC-1, Application for Charter
 - Form CC-2, Initial Membership Roster
 - Form CC-3, Club Bylaws

Sample Bylaws that should be followed as closely as possible. In this sample, note that some bylaw provisions are mandatory and must be included, while others are optional and depend on the extent of operating detail required by the club. When you complete the forms online, the application package to the **Lifestyle Director** for review and processing.

- B. When all requirements have been satisfied, the **Lifestyle Director** will forward the application package to the Community Manager to be included in a Board of Directors meeting agenda for review. If disapproved, the club will be provided with a written explanation. The decision may be appealed by providing written justification to the Board within 14 days of the written notice. The Board will provide a final notice of decision within 30 days of receiving the written appeal.

2.4. Club File:

- A. The official file will be kept by the **Lifestyle Director** and will include the approved application package, copy of charter, amendments to bylaws, club operating rules and policies, and general correspondence with the Association. In case of conflict between the club and the Association, the official file will take precedence.



3. Chapter Three: Membership & Club Operation

3.1. Membership

Regular club membership is open to any resident of the Community in good standing. Prior to joining a club, residents are encouraged to visit with the chartered clubs to experience their activity and their hospitality. Following a reasonable number of visits, and the explanation of club operations and programs, regular club membership may be required for continued participation in club activities.

- A. Club executive boards are responsible for periodically reviewing club membership files to ensure that members remain bona-fide residents with valid activity cards. Semi-annual [January 15 and July 15] submission of an updated Membership Roster is required. This form can be found on AltisLifestyle.com.
- B. While clubs may make provisions for honorary membership, that type of membership may not be extended to non-Association members.

- C. Proper conduct and decorum are essential to preserve the active adult lifestyle that has been created within the community. Club members who become abusive, project an undesirable or inappropriate image, or who blatantly create turmoil, disruption, or dissention among club members, other clubs, or the Association in general, may have their club memberships suspended. Suspension may occur following a recommendation from the club's executive board, and approval by Association Management. In severe cases, Association Management may recommend a suspension of Association privileges, subject to Board approval. A suspension of club, or Association privileges may be appealed by providing written justification to the Board within 14 days of the written notice to suspend. The Board will provide a final notice of decision within 30 days of receiving the written appeal.



3.2 Guests:

- A. Resident Guest - All residents with valid activity cards or confirmed members of the Association are qualified to join a chartered club. Until they choose to do so, they are considered guests.
- B. Non-Resident Guest - All other individuals who are accompanied or sponsored by a resident club member are considered non-resident guests. Unlike Resident Guests, this category does not qualify for club membership.
- C. Developer Guest - During the period of community development, and as long as the developer has the capability to annex land into the community, prospective home buyers, and developer employed sales associates and developer employees are considered developer guests. Prospective homebuyers will be in the company of a sales associate or other developer representative. Depending on the nature of club activities, prospective homebuyers may be permitted to participate in club programs. It is incumbent upon sales associates to inquire into club policies and rules before advising developer guests that they may use club activities and programs.

3.3 Use of The Club:

- A. All Association facilities and programs are available to all residents with valid activity cards. Use and participation in club programs is contingent upon membership in a chartered club. This policy is based on the desire to provide comprehensive, low-cost leisure programs in a reasonably structured and safe environment.



- B. General use facilities may be reserved by clubs for regular membership meetings and up to two scheduled annual special events at a discounted rate to be determined by the Board. Requirements for additional general use space (not part of the approved annual schedule) will require a rental fee. Note: When room rental fees are applicable, chartered clubs may be charged the resident facility use rate.
- C. Depending on the nature and size of a desired activity, Association Management will determine the facility to be allocated. In all cases, the decision will be based on maximizing facility utilization.



3.4 Program Supervision and Safety:

- D. During use of an Association facility for scheduled club use, clubs must designate a club member to act as facility monitor to ensure that Association and club operating policies and rules are satisfied. If a program involves more than one room, or if one room is too large for one monitor to properly oversee, additional monitors may be required. If club members are unwilling, or unable to properly monitor a facility, the club program will be temporarily suspended until proper supervision can be arranged.

- E. Monitors are required to check Association activity cards and guest cards during sign-in. In the event of disagreement between a monitor and club participant, the position of the monitor will prevail in all instances. A monitor's decision may be appealed to the club's executive board but, until such appeal is heard and acted upon, the monitor's decision prevails.

- F. Clubs are encouraged to provide a minimum 25% of their scheduled operating time for member/guest use that is unencumbered by lessons, meetings, or other planned group activities. If demand for Association/club equipment warrants, clubs may establish rules which limit the amount of time the equipment is used by a single person or establish equipment reservation schedules.

- G. Each club shall maintain a Club Information Binder and/or a Portable Information File wherein a copy of the Club Bylaws and Official Meeting Minutes will be available for review during regular meeting times. Posting relevant Club documents on the community web portal will also satisfy this requirement. While most rules are at the discretion of the club, those clubs using power machinery (portable or fixed) must develop and post written safety rules pertaining to the use and maintenance thereof.



- H. To allow for leadership and operational stability, clubs will elect officers comprised of (at a minimum) a chairperson, vice-chairperson, and secretary. If the club anticipates dues or other financial considerations, a treasurer must be appointed (Note: If desired, clubs may combine the position of secretary and treasurer). As new officers are elected annually, clubs will complete Form CC-5, "New Club Officers" (Appendix E) and forward it to the **Lifestyle Director** within 30 days following the annual election.
- I. Safety Program - Any club using power machinery (portable or fixed) will establish and post written safety rules for the operation and maintenance thereof and appoint a club safety committee to oversee the program. The **Lifestyle Director** and the Association's safety committee will work with each club on these issues.

1. If emergency medical attention is required for any incident occurring in Association facilities, the club facility monitor will call 911 or identify someone to call 911. If another person is available, they will notify the Member Services Desk. Association staff will respond to the scene providing assistance until the local Emergency Medical Personnel (EMS) arrives on the scene. Once the injured individual is being cared for by EMS, Association staff will assist the Club Monitor in completing the "Incident Report" See Appendix F. In the case of member death, Association Management will be immediately notified, and the Board president properly informed.
2. All incidents or accidents occurring in club facilities (whether requiring medical attention or not) will be immediately reported to the respective club facility monitor using, "Incident Report" (Appendix F). While the facility monitor will be responsible for documenting pertinent details on the report, club officers will ensure that the report is sufficiently detailed to allow for a meaningful review. The report is forwarded to the **Lifestyle Director** within 24 hours of a reported incident or accident.



3. Club officers will ensure that club facility monitors are reasonably well qualified in the use of equipment, and properly trained in Association/club operating rules, and related safety awareness and prevention measures. Monitors have the authority to deny the use of equipment to any individual who, in the monitor's judgment, is either unable or unwilling to abide by posted rules and procedures.

4. If, in the eyes of the club's Safety Committee and Executive Board, a club member cannot physically comply with operating rules and procedures, the club Executive Board may temporarily suspend that member's facility use privileges related solely to the non-compliance issue. Prior to taking such action, however, the club should make every effort to provide additional training, instruction and assistance in an effort to re-qualify the member. A suspension of this nature will be made solely to protect the well-being of the member, and the best interests of the Association and club. Association Management will consider club action temporary pending review and final action. A suspension of club privileges may be appealed by providing written justification to the Board within 14 days of the written notice to suspend. The Board will provide a final notice of decision within 30 days of receiving the written appeal.



3.5 Facility Use Guidelines:

The primary responsibility for scheduling Association facilities, coordinating special events, and publicizing programs rests with the **Lifestyle Director**. Room reservations must be submitted in writing and in accordance with the section titled Reservations in the Board approved Facility Use Guidelines available at the Members Services Desk and on the community website. Once a facility reservation has been confirmed, the **Lifestyle Director** issues a numbered reservation permit to the requestor and coordinates set-up/take-down requirements with the Association's Maintenance Department.

- A. No Smoking Policy - All Association facilities are designated as "No Smoking Areas" as referenced in the Operating Rules and Regulations Manual.

- B. Chartered clubs request regular use of facility space by annually submitting a master schedule to the **Lifestyle Director** using Room Reservation Form. The **Lifestyle Director** coordinates the coming year's room reservation requests with the Chartered Clubs Chairpersons Council during October of each year and resolves any conflicts. Once schedules are evaluated and approved, it will be entered into the Association Facility Schedule. Unless a need for change occurs, there is no requirement for additional submittals. If a need occurs, clubs may request a schedule change at any time by submitting a revised Room Reservation Form.
- C. Chartered clubs desiring to conduct a special event in a general use area of the Association should contact the **Lifestyle Director** for space availability, facility requirements, and rental fee requirements (as applicable). If a rental fee is to be charged, the club will submit payment at the Member Services Desk.
- D. Chartered clubs will be given priority for facility space over non-affiliated groups as defined in the Facility Use Guidelines.
- E. Chartered clubs will be allowed two special events at a discounted rate to be determined by the Board in a general use area per year.



3.6 Association Management Meetings:

The Association's General Manager or designee may attend the Chartered Club Chairpersons Council meeting to provide an update on important Association issues, clarify questions and concerns, and respond to club leadership comments and questions.

4. Chapter Four: Financial Controls and Procedures

4.1 Records and Accountability:

The club's elected Treasurer (Secretary-Treasurer) is responsible for controlling and recording club revenues and expenses. This individual will also oversee the purchase of all assets, inventories and supplies, and provide financial reports to the club executive board and membership and the Association



- A. Club bylaws and operating rules should specify levels of financial control and reporting appropriate for each specific club. Clubs with smaller memberships, lower activity levels, or smaller checking accounts would generally need less stringent levels of financial control and reporting than clubs with large memberships, high or complex activity levels or larger checking account balances. The following controls and procedures should be considered in the development of operating guidelines:
- B. No single individual should be able to order, receive and dispense equipment or inventories.
- C. Dual signatures must be required on checks over a designated dollar limit.
- D. Both retail and asset inventories, if present, should be inventoried and reconciled at least annually. [See Article 4.6]

- E. All club revenues from any source shall be deposited into the bank account established in the club's name in the financial institution determined by the Association's Controller. Clubs may establish and maintain reasonable amounts in a change fund and or petty cash fund. All disbursements should be made by check, or from an approved petty cash fund, with purchase receipt or invoice retained for documentation. The club's bank account statement should be promptly reconciled each month.
- F. All transactions shall be recorded in club financial records. All financial records must be preserved for a period of 7 years. An out-going Treasurer is responsible for transferring all financial records to an in-coming Treasurer.
- G. As part of regular club membership meetings, the Treasurer should provide the members with financial information about revenues and disbursements, and the bank account balance. This presentation should be recorded in the minutes of the meeting.
- H. Semi-annually, clubs are required to submit Form CC-7, "Financial Report – Semi



Annual & Annual Reporting" to the **Lifestyle Director**. A copy of the report will be retained in the official club file, and the original will be forwarded by the **Lifestyle Director** to the Association's Controller for use in preparing and filing the Association's annual income tax returns. This report must be provided to the Association no later than the 15th day of January and July and must be certified by the club President or Treasurer. The Association reserves the right to engage the services of an accounting professional, at the club's expense, to independently review club accounts. (Note: Since club financial operations are reported as part of the Association's tax returns, clubs do not obtain a separate Federal Employer Identification Number, or otherwise file separate Internal Revenue Service tax returns.)

4.2 Agreements for Instructional Services:

From time to time, a club may wish to provide instructional or educational classes for the benefit of their membership. Before proceeding, the club should consider, at a minimum, the time commitment to organize and offer an instructional or educational class, the availability and cost of qualified instructors or providers, the needs, skill levels and interests of members, the availability of a location for the class and the willingness and ability of members to pay for such a class. A club may choose to offer instructional or educational classes on either a fee or no-fee basis. While non-Association members may be used to provide instructional services, clubs are encouraged to seek qualified instructors from within their own membership.



- A. Form CC-8, "Agreement for Services" (Appendix H) is used to specify the terms of an agreement to provide instructional or educational classes. Before entering into an agreement for services, clubs should ensure that the individual or group is sufficiently skilled and experienced to provide the desired service, that terms are sufficiently detailed to ensure mutual understanding of the desired service, that club and provider responsibilities are adequately defined, and that mutually agreed upon times for performance and completion, payment amounts and times and termination or cancellation provisions for the agreement are stipulated.

Prior to entering into an agreement, each agreement must be reviewed by the Association's Community Manager to determine the applicability and extent of insurance coverage that may be required to be provided by the provider. Potential liability of the Association will be the primary factor in determining whether insurance will be required, the type(s) of insurance that will be required and the amounts of that insurance.

Clubs are not permitted to engage a provider to modify, alter, or otherwise repair Association facilities or equipment. If such action is desired, a written request should be forwarded to Association Management.



- B. The club is responsible for defining the service or services it desires. The provider is responsible for determining the methods and procedures for providing that service including, but not limited to, course content and manner of instruction.
- C. The club Treasurer is responsible for collecting any and all fees charged for the class and promptly depositing those fees in the club account. The Treasurer will pay the provider according to the terms of the agreement and retain the documents in the club financial records. The club is responsible for determining under what circumstances and in what amount fees may be refunded if a class is cancelled or a member cannot attend.

The club may establish the fee to be charged to members for a course of instruction that is less than, but not in excess of 15% of the agreement amount. Any fee charged in excess of the agreement amount may be retained by the club to support other club operating requirements. If a fee in excess of the agreement amount is to be charged to members, the rationale for the action and the proposed use of the excess over the agreement amount must be disclosed to the general membership and recorded in the minutes of a membership meeting.

- D. When publicizing instructional classes, all club members should receive an equal opportunity to participate. If a waiting list is established, members on the waiting list for that class must be given preference for any openings that become available for that class or any similar subsequent class. Promotional materials for an instructional or educational class should clearly disclose the skill level necessary for that class; i.e., beginner, intermediate, advanced. Over time, clubs should make an effort to ensure that classes are offered at skill levels that will allow all members to participate.



- E. An officer of a club may not be engaged by the club to which he/she belongs, unless it is determined by the club's Executive Board that another qualified and reasonably priced individual cannot be obtained. In such situations, the Executive Board's action must be officially recorded in meeting minutes and reported to the general membership.
- F. Private, individualized instruction in Association facilities is permitted only during times of low membership use or during times that do not preclude facility use by Association or club members.

4.3 Management Review:

As part of its oversight responsibilities the Association may periodically request to review club financial records and related documents. Any attempts by club officers or members to delay or disrupt such a review may place the club's charter at risk.

4.4 Insurance:

The Association maintains property and liability insurance coverage for Association and club activities and programs. However, such insurance is subject to limitations, exclusions and deductibles. A general summary of such insurance is set forth in paragraphs A through E below.



- A. Property purchased by clubs becomes the property of the Association and is therefore covered under the Association's property insurance. Personal items used in club activities are not covered under the Association's property insurance but may be covered in the Owners' individual homeowner policies. Personal items left on Association property are not covered and therefore any homeowner who leaves said personal property assumes any risk of doing so.
- B. General Liability insurance for club activities is provided by the Association. Such insurance includes club members as additional insured entities but only for liability arising out of their activities as club members while participating in club sponsored activities.
- C. No insurance for any loss of club funds is provided by the Association, since club accounts are maintained separately from Association accounts and are not considered to be under the direct supervision of Association officers or staff. In this same regard, club bank accounts are not covered under any Association insurance policy.
- D. The Association's Directors and Officers Liability insurance is extended to cover all duly appointed or elected club directors, officers and committee members for their acts or omissions arising out of their activities in those positions.

- E. Any insurance provided to the clubs by the Association is subject to the individual terms, conditions, limits, exclusions and deductibles of the various policies. The insurance provided to the clubs by the Association is not a substitute for club members' personal property and liability coverage. All club members are strongly encouraged to review their club activities with their personal insurance agent so any additional exposures can be addressed as necessary.



4.5 Resale Activities:

- A. General Information: As a not-for-profit corporation, the Association must initially authorize and then oversee any sales activities the chartered clubs participate in as a way for the clubs to raise funds to support their activities. Such sales activities must be approved by the Board of Directors and take place in conjunction with a bona fide Association-approved event. These activities include the sale of goods manufactured or created by club members, in addition to live performances, exhibitions, or other activities for which an admission fee is charged. The ultimate goals for these sales opportunities are as follows:
1. Heighten awareness and provide publicity for the regular activities of the club.
 2. Allow members to recoup material costs expended to participate in their craft.
 3. Provide a minimal revenue source for the club to offset club expenses.
- B. Supplies to Members: Clubs may sell supplies related to the craft being practiced by its members and may retain a reasonable amount from such sales to assist in club operations. Supplies for sale to members may be displayed in club rooms as a convenience to members but should not be displayed to give the appearance that they are available to the general public.

- C. Invoice Charges: Clubs may engage in the manufacture, repair or creation of items for the Community Association at the request of the Community Association. In such circumstances, the club may include in the final invoice a charge for their services not to exceed 25 percent of the total cost for materials.
- D. Taxes: Adherence to the rules set forth in this article is important from a tax perspective to ensure the Association is able to comply with all applicable tax reporting requirements and, in doing so, may help to minimize or even prevent any tax liability of the Association from chartered club sales activity.
- E. Should the Association incur any tax liability as the result of chartered club activities, a tax-sharing payment shall be charged to the chartered club(s) whose activities resulted in the tax liability in whole or in part. Tax-sharing payments are discussed in Section 5.7.'



4.6 Asset Repair and Replacement:

At the start-up phase of our community, the developer, TriPointe Homes, agreed to fund the purchase of equipment for use by residents and members of the Association chartered clubs. As assets are deeded by TriPointe Homes to the Association, maintenance, repair and replacement of most of these assets is assumed by the Association. Certain other assets provided at start-up are the responsibility of the club which uses the asset.



A. Asset Maintenance, Repair and Replacement Categories

1. Association Responsibility: The Association will assume responsibility for maintenance, repair and replacement of all assets that are typically available for use by all or a vast majority of members of the community. These assets will be those defined as major expense items valued at more than \$2,000.00 and categorized as critical components for maintaining the availability of the chartered club's program to the community. Funding sources for maintenance, repair and replacement of these assets are budgeted from the Association's Reserve Fund, which is funded as part of the monthly resident base assessment. Examples of assets that are typically categorized for maintenance, repair and replacement as the Association's responsibility include furniture, wall fixtures, decorative items, building materials, tennis and bocce court surfaces, carpet, and fitness equipment. Allocations from the Association's Reserve Fund for the maintenance, repair and replacement of existing assets will be determined by the Association's Board as part of the annual budget process.

2. Club Responsibility: Clubs are responsible for the maintenance, repair or replacement of all other assets provided for its use by the developer or added to the physical asset inventory from any source. Funding sources for general maintenance, repair or replacement of these assets are provided by: 1) the collection of club membership dues; 2) any approved special assessments; and/or 3) use of designated cash balances if approved and established as provided in Section 5.6. Fees and charges may also be collected by club monitors for use of club equipment and facilities by resident non-members of the club or guests. Examples of equipment that are typically categorized for maintenance, repair, or replacement as the club's responsibility include art supplies, playing cards, easels, bocce balls, musical instruments, hand tools, etc. The club is responsible for maintaining the base level of equipment provided by the Developer or Association at club start-up.

Provided the cost is \$2,000 or less, it is understood that chartered clubs may add new equipment and maintain, repair or replace damaged, worn or obsolete equipment using its own resources and at its discretion. When adding new equipment or replacing existing equipment the skill level, safety and orientation needs of the club membership must first be considered.



Regardless of the cost involved, if a club desires to purchase new or replacement electrical and/or mechanical equipment, the club board must submit documentation pertaining to the equipment to the Community Manager, who will review and make the final determination on the desired purchase.

3. Additional Considerations: All chartered clubs shall develop and maintain an up-to-date Physical Asset Inventory and file an updated copy of this inventory as part of the mid-year and year-end Club Financial Report. All changes in inventory must be reported on the twice-annual inventory report. The disposition of old equipment must be reported. The acquisition cost, physical description and life expectancy of new equipment must be reported. All changes in club assets must be in accordance with club bylaws and recorded in the minutes of the club business meeting and the club financial records. This inventory should not include smaller items categorized as “consumable” but must include those items categorized as replaceable assets. Items considered to be “consumable” include office supplies and forms, as well as those items with a limited life span used regularly in the conduct of the club’s activities.

Emergency renovation or replacement needs, or other time sensitive special needs may be considered at the time of need by bringing the situation to the attention of the Community Manager for presentation to the appropriate committee and/or the Board.



4.7 Club Dissolution:

If a club disbands, all club assets (monies and equipment) shall be transferred to the Association. If a club charter is revoked, and the group remains intact as a non-chartered club, all assets purchased for, or on behalf of that club will be transferred to the Association. In all situations, the club prior to final dissolution must satisfy club-incurred debts. The **Lifestyle Director** will assist clubs in all efforts relating to dissolution.

5. Chapter Five: Fees and Charges

5.1 Dues and Special Assessments:

A club's primary source of revenue is membership dues. Dues are to be set at the minimum necessary to support basic club operations.

Special assessments of club members may not be levied for any purpose by any chartered club without the approval of both the club Board and the Community Manager.

5.2 Admission Fees:

With the approval of the Board of Directors, a club may sponsor or host a live performance, exhibition or other similar activity from time to time. A club may charge an admission fee to cover both the direct and indirect costs related to that activity. Such activities are considered Resale Activities subject to the provisions of Section 4.5.



5.3 Registration Fees:

From time to time, a club may offer a course of program or skills instruction for the benefit of their members or potential members and may choose to charge a registration or similar fee for that course of instruction. Such activities are subject to the provisions of Section 4.2.

5.4 Other Revenue Generating Activities:

Subject to the provisions of Section 4.5, clubs may engage in the sale of other goods or services as a means to generate revenues to support club activities and programs.

5.5 Use of Club Dues, Fees and Other Charges:

Clubs are expected to be financially self-sufficient, generating sufficient revenues annually to support club operations. Unless a club membership has voted to designate cash balances for a specific capital project or purpose, club income should not exceed expenses by more than \$500.00 annually. If revenues are expected to exceed expenses, exclusive of a designated cash balance, if approved and established, clubs should use those excess revenues to foster continued club growth and activity by, for example, reducing dues, admission or registration fees, or by providing additional activities or programs for their members, or by supporting local community service organizations.



5.6 Designation of Cash Balances.

Subject to the provisions of Section 4.6, a club may propose to designate an amount of not less than \$500.00 within, or to be accumulated within, their checking account to be used for a specific capital project or purpose. Such a designation must be for the purpose of adding new equipment or repairing or replacing damaged, worn or obsolete existing equipment.

A proposal to designate a cash balance for a specific capital project or purpose must be submitted by the club to the Community Manager using the format in Appendix J. The Community Manager will review the proposal and present it to the Board for its consideration. If the proposal is accepted, the club membership must vote to adopt the proposal and document that vote in the minutes of the meeting.

Once approved and established, designated amounts must be used for the intended purpose no later than the end of the calendar year following the designation, unless a longer time period was approved in the proposal. APPROVAL OF A REQUEST TO DESIGNATE A CASH BALANCE FOR A SPECIFIC PURPOSE DOES NOT CONSTITUTE APPROVAL OF THE PROJECT. ONCE THE REQUIRED FUNDS ARE AVAILABLE, THE PROJECT MUST STILL GO THROUGH THE APPROPRIATE APPROVAL PROCESS PRIOR TO BEING ACCOMPLISHED.



5.7 Tax-Sharing Payments.

Because of Federal tax law provisions, if a club's ending cash balance increases from the prior year due to club revenues exceeding club expenditures, the Association is subject to Federal and state income tax on the increase. Prior to 2012, the Association bore the entire cost of this tax obligation. Beginning in 2014, to encourage the timely and judicious use of club funds as contemplated in Section 5.5, a tax-sharing payment is imposed on each chartered club whose ending cash balance has increased by \$500.00 or more from the prior year ending cash balance, exclusive of any designation of cash balances that has been approved and established. No tax-sharing payment will be imposed on any club whose cash balance is less than \$500.00 at the end of the year. Tax-sharing payments for each club for the prior year will be calculated in July of the subsequent year and will be charged directly to the club's checking account by the Association. Any club that has been charged a tax-sharing payment in a prior year will not be entitled to a refund should the club's cash balances decrease in a subsequent year.

5.8 Facility Use and Maintenance Charges:

- A. Fees for the use of Association facilities are waived for regularly scheduled chartered club activities. In addition, discounted rates will be charged to a club desiring to use Association facilities for a special club function, provided the desired Association facilities are otherwise unscheduled and available. The maximum number of special club functions allowed in a calendar year is two. Clubs desiring to conduct additional special functions are required to pay the current resident rental rate for the facility space desired. Rental fees for the use of Association facilities are established by the Association Board and may be changed from time to time in their sole discretion.

- B. Sale and resale activities scheduled in conjunction with a bona fide Association-approved event are discussed in Section 4.5 and are considered a membership program or service and a separate facility rental fee is not charged.
- C. If a club has unusual or special requirements for the set-up/take-down of a facility for either regular or special events or activities, the Association reserves the right to charge that club for any additional expenses incurred for that service.
- D. The Association will provide normal and customary custodial services, routine repairs and maintenance, and utilities in Association facilities used by chartered clubs for regular club events and activities. If the use of Association facilities for a special club event results in the Association incurring extra or incremental costs for custodial services, repairs and maintenance or utilities, those extra costs will be charged to the club conducting the special event.
- E. If a club wishes to modify or alter an existing facility for their use, they are subject to the provisions of Section 4.6, "Asset Maintenance, Repair and Replacement". No modifications or alterations shall be allowed unless the club is in compliance with Section 4.6 and has obtained any required approvals. If approved, the Association will arrange for the modification or alteration, and may bill the club for all or part of the modification or alteration. Any cost to be billed to the club shall be agreed to between the club and the Association in advance.



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