

Charter Club Operating Rules And Procedures

(adopted May 14, 2025)

Introduction

Charter Clubs are sponsored by the Stone Creek Community 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 limited exclusive use of members and their guests. It is anticipated that these policies will provide both guidance and structure to the Charter Club system and encourage the general membership to fully participate and enjoy the programs and facilities being provided.

The Club's Board of Officers is the central governing body of the club. It's responsible for setting the club's goals, managing its finances, and guiding its overall direction to ensure it fulfills its mission. The Board of Officers typically includes key roles like President, Vice President, Secretary, and Treasurer, and may include other officers and/or committees.

Key Roles and Responsibilities:

- **President:** The President leads the board, sets the club's vision, and serves as the main representative of the club.
- **Vice President:** Supports the President and may handle specific projects or initiatives.
- **Secretary:** Manages club records, documentation, and communication.
- **Treasurer:** Oversees the club's finances, including budgeting, tracking expenses, and financial reporting.

Overall, the Board of Officers responsibilities include:

- **Setting the club's goals:** Defining what the club aims to achieve and how it will measure success.
- **Managing the budget:** Overseeing the club's finances and ensuring responsible spending.
- **Guiding activities:** Ensuring that the club's activities align with its goals and mission.
- **Monitoring progress:** Regularly reviewing the club's performance and making adjustments as needed.
- **Communicating with members:** Keeping members informed about the club's activities and decisions.

CHAPTER ONE

GENERAL INFORMATION

1.1 Authority: The authority to Charter Clubs lies with the Stone Creek Board of Directors (Board), unless delegated to Association Management. All rules and procedures outlined herein are compliant with the Association's governing documents. If a conflict arises, the governing documents prevail.

1.2 Responsibilities:

- A. The Association Board and Management team are responsible for coordinating and implementing a policy for Charter Clubs, allocating facility space, and assisting clubs with operational concerns.
- B. The Board or Management team designates either the Lifestyle or Spa Director to assume responsibility for assisting clubs with facility scheduling, special programs and marketing/promotion. The Lifestyle/Spa Director is the focal point for coordinating all club matters of interest.
- C. Club's Board of Officers are elected on an annual basis or as defined in the Club's Bylaws. Club boards have the responsibility of 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, Charter Clubs are provided with regular meeting and activity space, without charge. The Association reserves the right to preempt club space, however, if the needs of the general membership require it. Although facility space may be dedicated to a club for full-time use, the facility and all equipment located therein remain the property of the Association.

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 has been developed. All club forms are identified by the prefix "CC," and samples are shown in the appendices.

1.5 Interest Groups: An interest group is any group of residents that has not applied for or has yet been approved for a formal charter or does not satisfy the requirements for a charter club. This may include groups that benefit various religious, political or community service needs, or that are perceived to be exclusionary to segments of the general membership. For such groups, the Association will make dedicated meeting room space available to be reserved by the interest group for up to a six-month period to assist with start-up activities. Thereafter, meeting room space is only provided on a first-come, first-served basis if a group has not yet been approved for formal charter. Space will not be allocated to preempt or disrupt an Association sponsored activity or charter club program.

Room Rental Fees: Room rental fees are typically waived for a period of 6 months from the date of start-up of an interest group. Thereafter, interest groups that have not become chartered or that are ineligible for charter will begin to pay Board approved rental fees to reserve a room. (It is recommended that room rental fees for interest groups be discounted and set at 50% of the Association's standard rate.)

Please note that interest groups are not required to follow the policies and procedures outlined within the Charter Club Operating Rules and Procedures and therefore are not entitled to the same level of benefits as are extended to the Charter Club. Please consult the Charter Club and Interest Group Comparison Chart for details.

CHAPTER TWO

ESTABLISHING A CHARTER CLUB

2.1 General: Any group of Association members that share a common interest in a hobby, social, cultural, or recreational activity and that have met Board of Directors approved criteria for a formal charter may join together as a charter club, subject to the procedures and parameters outlined herein. Charter Clubs are complimentary to the Association's programs.

2.2 Charter: The charter is the formal written authorization granting club status that is issued upon receiving approval from the Association's Board of Directors. Charter Club are given priority for facility space as defined in paragraph 3.3 below.

Charter Club are also extended specific coverage from the Association's insurance and are given assistance in the start-up phase of their activities from Association Management team.

- A. Charters are not granted to groups that 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. Membership in any Charter Club 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' golf clubs.
- D. Charters shall not be granted to groups whose primary purpose is basically the same as another Charter Club already in operation.

E. Under Ch. 720 and the Association's Governing Documents Charters Clubs can be revoked for a reason or for no reason at all. 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, or for any other reasonable reason determined by the Association. All clubs agree to abide by Florida State Statute 849.085 Penny Ante Games and are required to complete Form CC-19, "Affidavit of Compliance." The decision to revoke a charter occurs following a recommendation by the Association Management team 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 final notice of decision within 30 days after receiving the written appeal.

2.3 Procedures for Charter Application:

- A. Thoroughly review a copy of Charter Club Operating Rules and Procedures to become familiar with the Charter Club system. The Community Activities Advisory Committee (CAAC) will be happy to answer questions and provide general assistance.
- B. Complete Form CC-1, "Application for Charter." Attach Form CC-2, "Initial Membership Roster," and Form CC-3, "Club Bylaws." See Chapter Six below for examples of all club forms, including a sample Club Bylaws. In this sample, please 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. Forward the application package (Forms CC-1, 2 and 3) to the CAAC for review and processing.
- C. When all requirements have been satisfied and approved by CAAC, the application package will be forwarded to the Lifestyle Director with a recommendation for approval or disapproval. If approved, the club will be provided with a written charter. 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 final notice of decision within 30 days of receiving the written appeal.

2.4 Club File: The official Club 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 procedures, and general correspondence with the Association. In case of conflict between the Club and the Association, the official file will take precedence.

CHAPTER THREE

MEMBERSHIP AND CLUB OPERATION

3.1 Membership: Regular club membership is open to any Association member. Prior to joining a club, Association members are encouraged to visit the Charter Clubs to experience their activity and their hospitality. Following no more than three visits, and the explanation of club operations and programs, regular club membership will be required for continued participation in club activities.

- A. Club's Board of Officers are responsible for periodically reviewing club membership files to ensure that members remain bona fide Association members. Additionally, club members and their guests are required to sign in when attending club meetings or using any club facility. Club members who host a guest are responsible for the behavior of their guest.

- B. Proper behavior and decorum are expected from all club members. Club members who become abusive, project an undesirable or inappropriate image, or who unnecessarily and blatantly create turmoil, disruption, or dissension among club members and/or other clubs, may have their membership temporarily suspended and/or terminated by the club officers. Such decision to be made by the Club Board of Officers at a duly noticed meeting. Proper behavior includes following club policies and procedures including safety rules, when in existence.

- C. The following are the steps for club disciplinary action.
 - First Offense: A written warning will be issued by the Club Board of Officers, and documentation of this warning must be provided to the member. Depending on the severity of the behavior or incident, further actions may be taken.
 - Second Offense: The Club Board of Officers may impose a suspension of up to 30 days at a duly noticed meeting. Documentation of this suspension must also be provided to the member. Depending on the severity of the behavior or incident, further actions may be taken.
 - Third Offense: The Club Board of Officers may extend the suspension based on the severity of the incident and/or behavior, at a duly noticed meeting. Documentation of this decision must be provided to the member.

- Fourth Offense: Termination of club member may be enacted upon approval by the Board of Officers, at a duly noticed meeting. Documentation of this decision must be provided to the member.

D. A suspension and/or termination of Club member privileges may be appealed by submitting a written explanation to the Club Board of Officers within 14 days of the meeting at which the action was noted. The Club Board of Officers will issue a final written decision within 30 days of receiving the written appeal.

3.2 Guests: Any charter club event that utilizes Association facilities may invite outside visitors to participate in or attend a club-sponsored event(s) while accompanied by a resident. Charter Clubs may invite outside visitors to accompany a resident and play in and/or attend a club sponsored tournament/event. Guest use is limited to those whose primary purpose is to visit Sone Creek residents on an occasional and temporary basis. This policy is not intended to allow guests repeated access to association facilities, regularly scheduled Club/Group activities or reserved/ticketed events.

- For a large group of visitors (5 or more), the club must maintain a list of outside attendees. A guest list must be provided to the gatehouse by email 3 business days in advance of the tournament/event. Visitors may only arrive 30 minutes before the tournament/event and must immediately depart the community as soon as the tournament/event is over.
- The club will be responsible for the behavior, whereabouts, and activities of those outside visitors the club invites.
- Any instance of a visitor attempting to use any facility/amenity other than the specific location of the club event or found driving through the community will be dealt with by management with the club involved.

A. Resident Guest – All Association members are qualified to join a charter club. Until they choose to so do, they are considered guests.

B. 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 are considered developer guests. Developer visitors may be accompanied by a sales associate or may identify themselves with a Visitor card. Prospective home buyers will be in the company of a sales associate. Depending on the nature of club activities, developer guests and prospective home buyers 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. Sales associates may only use Association/club facilities when accompanying a prospective buyer.

3.3 Use of Facilities:

- A. Dedicated facility space is made available and reserved by the Association for clubs to host regularly scheduled meetings and club activities on an ongoing basis. The Board, however, may establish reasonable restrictions on facility use. In order to continue to offer a variety of programs to the community at large, clubs may elect to offer member and non-member fees/dues.
- B. Normal club activities that take place in a facility with posted hours of operations **MUST** be scheduled during the posted hours. Clubs will not be allowed in the facility early to prep for a meeting and will not be allowed to stay past the normal closing time. Special accommodation may be approved by the Association Management team.

A club may make a request for extended hours; however, they may be required to pay a rental fee. At least a two-week notice will be required for any special considerations and must be approved by Association Management team. Clubs will complete form CC-7D, "Club Rental Space Request."

- C. Clubs are allowed to reserve space three (3) times a year at no charge for special events involving all of the community. The club may also reserve space two (2) times a year at no charge for special events involving club members only. Additional events may be subject to rental fees. Clubs will request dates for events using Form CC-7A, "Regular Club Activity" and Form CC-7B, "Special Event Reservation Form." Hours of operation may be extended for special events. This provision applies to all clubs, irrespective of designated facility space.
- D. Depending on the nature and size of a desired activity, the Lifestyle/Spa Director(s) will determine the facility to be allocated. In all cases, the decision will be based on maximizing facility utilization.
- E. All clubs are required to provide the Lifestyle Director(s) with quarterly participation figures (members and guests) relating to their regularly scheduled activities by using Form CC-4, "Quarterly Participation Record." This important information is used by the Association to evaluate facility usage and the need for change, and to create participation analyses which record club growth and the potential need for facility allocation. Club reports should be forwarded to the Lifestyle Director within 5 working days following the end of the quarter.

3.4 Program Supervision and Safety:

- A. During the scheduled use of an Association facility by a club, clubs must designate a club member to act as facility monitor to ensure that Association and club operating procedures 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 suspended until proper supervision can be arranged.

- B. Clubs are required to offer open participation times for both their members and nonmember residents of the community. When applicable, instructional classes may be offered at member and nonmember rates to encourage full community participation. If demand for Association club equipment warrants, clubs may establish rules that limit the amount of time the equipment is used by a single person or establish equipment reservation schedules.
- C. Each club shall maintain a Club Information Binder wherein a copy of the Club Bylaws and official meeting minutes must be available for review during regular meeting times. 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.
- D. Officers Meetings of the Club Board:
 - 1. The club's Board of Officers shall consist of (at a minimum) a President, Vice-President, and Secretary-Treasurer. The offices of Secretary and Treasurer may be separate. The duties of the club officers shall be as follows:
 - a. President shall preside over both Board of Officers meetings and membership meetings, sign all Association (HOA) documents upon approval of the Board/approval of the members, and act as the spokesman for the Club including attending club presidents' meetings called by the Lifestyle Director.
 - b. Vice-President shall act in place of the President in his or her absence.
 - c. Secretary shall maintain all minutes of Board and membership meetings, maintain copies of all club correspondence, maintain a list of active members, and file required reports with the Lifestyle Director, such as Form CC-4, "Quarterly Participation Report."
 - d. Treasurer shall maintain all financial records and disbursements of club funds. (See Chapter 4 below for financial responsibilities).
 - 2. A club may also elect to have assistant positions for offices of Vice-President and Secretary. If a club elects to fill one or both assistant positions the responsibility for the position will remain with the primary officer. The duties of the President and the Treasurer are not to be shared. Additional duties may be specified in the club's policy documents. A quorum of 51% of the club Board of Officers will be required to hold an official Board meeting.
 - 3. All Board of Officers shall be elected by a vote of the general membership at the club's annual meeting by a majority vote of those members present, where a minimum of a thirty (30) day notice has been given to the members. The annual membership meeting

shall be held in the last quarter of the calendar year. Absentee ballots will not be accepted for officer elections. Officers will serve without compensation.

4. Officers will serve for one or two years and shall not exceed three consecutive terms in the same officer seat.
5. Newly elected or appointed officers shall within fourteen (14) days of taking office read and understand the Charter Club Operating Rules and Procedures. The club Secretary shall submit Form CC-5, "New Club Officers" to the Lifestyle Director within thirty (30) days following the annual election.

E. Safety Program:

1. If emergency medical attention is needed immediately call 911. All incidents or accidents occurring in/on Association facilities, whether requiring medical attention or not, will be immediately reported to the Lifestyle/Spa Director using Form CC-6, "Incident/Accident Report." The Board of Officers will be responsible for documenting a detailed on the report. The report will be forwarded to the Lifestyle/Spa Director within 24 hours of a reported incident and/or accident. In the case of member death, Association Management team will be immediately notified, and the Board President properly informed.
2. Any club using power machinery (portable or fixed) will establish and post written safety rules for the operation and maintenance thereof. Club officers will ensure that club facility monitors are reasonably well qualified in the use of any equipment and properly trained in Association and club operating rules and related safety awareness and prevention measures. Monitors and/or club officers have the authority to deny the use of equipment to any individual who, in their judgment, is either unable or unwilling to abide by posted rules and procedures. The Lifestyle Director and Association Safety Committee (if established) will work with each club on these procedures.
3. For the safety of members, the Board of Officers can make the determination, that if a club member cannot physically comply with operating rules and procedures, the Board of Officers 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 and assistance in an effort to requalify the member. A suspension of this nature will be made solely to protect the wellbeing of the member, and the best interests of the Association and club. Club action will be considered temporary pending review and final action by the Club Board Officers. 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.

F. No Smoking Policy – The Association provides a smoke-free environment for its members and guests, and all Association buildings are designated as "No Smoking Areas." While smoking

is permitted in most outdoor areas, the Board reserves the right to designate specific outdoor areas as non-smoking by posting appropriate signage. The use of vaping devices is also prohibited in any non-smoking area.

- G. Alcoholic Beverages – The sale of alcoholic beverages is not permitted in Association facilities with the exception of Board and/or Management authorized contract services operating with State approved special event licenses. Charter Clubs may be permitted to transport and dispense alcoholic beverages to its members and guests as part of a club special activity. All groups dispensing alcoholic beverages will follow State guidelines relating to individual and group responsibility for dispensing alcoholic beverages and may be confined to designated areas.

3.5 Facility Scheduling: The primary responsibility for scheduling Association facilities, coordinating community special events, and marketing programs rests with the Lifestyle Director.

- A. Chartered clubs request regular use of facility space by annually submitting a master schedule to the Lifestyle Director using Form CC-7 ("Club Business Meeting Schedule) and CC-7A (Regular Club Activity). Clubs will be allowed a maximum of 25 (3) three-hour times slot per month for regular club activities/club play. If a need occurs, clubs may request additional space or a schedule change at any time by contacting the Lifestyle Office. Additional schedule requests will be based on a first come first serve basis. Clubs will complete form CC-7C (Facility Reservation Form) for an additional space request.
- B. Charter 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, payment must be satisfied at least one week prior to the function date.
- C. Association members and Charter Clubs will be given priority for facility space over interest groups and neighborhoods.

3.6 Association Management Meetings: The Management team will meet periodically with the Board of Officers of all Charter Clubs to provide an update on important Association information, clarify questions and concerns, and respond to club leadership comments and questions.

CHAPTER FOUR

FINANCIAL CONTROLS AND PROCEDURES

4.1 Records and Accountability: The club's elected treasurer is responsible for controlling and recording club revenues and expenses. This individual will also oversee the purchasing of all assets, inventories, and supplies, and provide financial reports to the Board of Officers membership and Association Management team.

A. The following controls and procedures are to be followed by Charter Clubs:

1. Clubs must have a check and balance procedure to preclude a single individual from ordering, receiving and dispersing equipment or inventories.
2. Clubs with an annual budget of over \$5,000 may use debit cards, provided such purchases are backed up by Form CC-9 with a list of purchases, receipts and two authorized signatures. There will be no cash purchases.
3. Clubs may use a petty cash fund, provided the money is withdrawn from the club's account with a check and receipts for purchases are provided. Petty cash funds may not exceed \$100.
4. Periodically, clubs must conduct an inventory and reconcile retail and asset inventories.
5. Deposit all revenues in a bank account established in the club's name and maintain the account through succeeding club administrations. Association Management will provide a Federal Tax Identification Number. Disbursements should not be made from cash that has not been deposited in the club's account. All disbursements should be made by check, or from an approved petty cash fund, with purchase receipt or invoice retained for documentation.
6. All transactions shall be recorded in club financial records, and all financial records must be preserved for a period of 7 years.
7. As part of regular club membership meetings, the treasurer should provide the members with a financial presentation showing revenues and disbursements and bank account balances. This presentation should be recorded in the minutes of the meeting.

B. Monthly, clubs are required to submit Forms CC-8, "Monthly Financial Report" and CC-8A, "Sales Tax Report" to the Lifestyle Director. A copy of the current bank statement and bank reconciliation is also required. A copy of the report will be retained in the official club file, and the original will be forwarded to the Lifestyle Director. If sales tax was collected by the Club during the reporting period and is reported on Form CC-8A as such, a check made payable to the Stone Creek Community Association, Inc. for the amount of tax collected must accompany the form. This report must be provided to the Association no later than the 10th of

the following month and must be certified by the club president and treasurer. The Association reserves the right to require any club to engage the services of an auditor to independently certify club accounts when deemed necessary. Note: Since club financial operations are recorded under Association tax returns, clubs do not obtain a separate Federal Employer Identification Number or otherwise file separate Internal Revenue Service tax returns.

- C. Annually, clubs are required to submit Form CC-10, “Charter Club Budget” to the Lifestyle Director. Any clubs with a cash balance exceeding \$1,000 at the end of the year must include a note with their budget submission specifying the future purpose of the funds. If not, then the Association Management reserves the right to request these funds to “hold” in an interest-bearing account for the specified club until such time that the club is in need of the funds.

4.2 Contracts for Services and Instructional Classes: The need to provide qualified program instruction to a club membership depends on program difficulty, the availability of qualified instructors, and the skill level of those desiring the service. To ensure high quality instruction, the Association encourages this type of contract service but asks clubs to remain sensitive to member income levels and their capability to pay additional fees. Also, while non-Association members may be used to provide these services, clubs are encouraged to seek qualified instruction from within their own membership.

- A. Clubs that engage the services of an individual or group must use Form CC-11, “Contract for Services” and obtain a completed Form W-9 and forward it to Lifestyle Director to secure the terms of the agreement. When contracting 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 vs. contractor responsibilities are adequately defined, and that mutually agreed upon completion times, payment procedures and contract termination provisions are stipulated. Prior to approval, each contract must be reviewed by the Lifestyle Director to determine the applicability and extent of insurance coverage that should be required. Procedures for this assessment will be locally determined with the primary assessment gauge being the potential liability risk to Developer entities and the Community Association. Note: Clubs are not permitted to engage a contractor to modify, alter or otherwise repair Association facilities or equipment. If such an action is desired, a written request should be forwarded to CAAC for review. Any individual, sole proprietor, etc. that has been paid an aggregate of \$600 or more in any calendar year by a club must be issued a Form 1099. Name, address, and total amount paid must be presented to Association Management no later than January 10th of the following year. If a Form W-9 had not already been submitted to Association Management, then a completed one would be required, as well, at that time. Association Management is responsible for the preparation and transmittal of all Form 1099s.

- B. When contracting for personal services, such as an instructor, the contract should specify that the relationship (between club and contractor) neither intends nor implies that an employer-employee relationship exists. In this regard, the club defines the services it desires, and the contractor determines the method and procedures for implementing that service. Specifically, the contractor determines course content, manner of instruction, refund allowances, and procedures for course control.
- C. All fees generated by a contracted party are paid by the Charter Club members to the club treasurer and deposited into the club account. As terms are defined, the treasurer makes payment to the contractor and documents the transaction accordingly in the club financial records. Note: When establishing fees for contracted instruction, clubs should distinguish between a resident member and resident non-member rate. The non-member rate maintains that the club makes classes available to the community at large while encouraging non-members to join the club to receive the reduced rate. Clubs may set the non-member fees no more than 15% higher than the contract calls for as a means of generating intrinsic revenue and may retain the difference to support other club operating requirements. When establishing such a fee, the percentage to be retained and the rationale for the action must be disclosed to the general membership and recorded in the minutes of a membership meeting.
- D. In marketing instructional classes, clubs should ensure adequate promotion to allow all members an equitable opportunity to register. When a waiting list is established, members may not repeat classes until the waiting list has been exhausted. If a series of lessons is required to complete a course, clubs may allow participants to progress through the entire lesson series. Instructional programs should be geared to all skill levels, i.e., beginner, intermediate, advanced.
- E. An officer of a club may not be contracted by the club to which he or she belongs unless it is determined by the club's Board of Officers that another qualified and reasonably priced individual cannot be obtained. In such situations, the board's action must be officially recorded in board meeting minutes and reported to the general membership.

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

4.4 Insurance: The Association maintains full policy coverage for all general membership activities and programs. However, some coverage is not extended to Charter Cubs.

- A. Property purchased by clubs becomes the property of the Association and is therefore covered under the Association's master policy, subject to the terms, conditions, and limitations of that policy. All personal items used in club activities are not covered under the Association's policy but may be defined in individual homeowner policies.
- B. Liability exposure for club activities is also covered by the Association's master policy, subject to terms, et. al.

C. Directors and Officers coverage is extended to clubs since club accounts are considered to be under the direct supervision of Association Accounting. In this same regard, club bank accounts are covered under the Association's master policy.

4.5 Resale Activities: As a not-for-profit corporation, the Association must protect its status by not overly portraying itself in a commercial image. However, as a convenience service to members and guests, resale operations related directly to the membership program may be permitted only at the discretion of the Association Board.

A. Supplies to Members – Clubs may sell supplies related to club purpose to its membership and retain a reasonable return on investment to assist in club operations. Supplies may be displayed in club areas as a convenience to members but should not be displayed to give the appearance that they are available to the general public.

B. Taxes – The Association has a responsibility to ensure that all required taxes are paid on items being sold by the Association, and properly reported utilizing Form CC-8A, "Sales Tax Report."

4.6 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 interest group, all assets purchased for or on behalf of that club will be transferred to the Association. In all situations, the club must satisfy club-incurred debts prior to final dissolution. The Lifestyle Director will assist clubs in all efforts relating to dissolution.

CHAPTER FIVE

FEES AND CHARGES

5.1 Dues and Special Assessments: A club’s primary source of revenue is membership dues. Dues are set at an absolute minimum and only sufficient to cover basic operating requirements. Special assessments may not be levied in a charter club without the approval of the Association Board.

5.2 Facility Use and Maintenance: As noted previously, there are no fees for the use of Association facilities for regularly scheduled Charter Club activities and three annual special events. Rental fees for the use of Association facilities are established by the Association Board and will be charged to clubs desiring use of a facility for special use.

- A. If a club required unusual or special requirements for the set-up/take-down of a facility, the Association reserves the right to charge that club for additional expenses incurred.
- B. The Association will maintain an existing facility as to custodial service, routine repair and maintenance, and the cost of utilities. If a club desires “new work” to modify or alter an existing facility, first a form must be submitted to the CAAC for review and consideration of approval such work and then sent to be approved by Board and/or Association Management, the Association can make arrangements for the work and bill the club on a cost-recovery basis or the club can facilitate the vendor based on the CAAC recommendations.

5.3 Admission Fees: Occasionally, a club may have a need to charge admission fees to a community event/presentation to offset related expenses. Clubs may retain a reasonable amount of revenue, above expenses, to assist in operating requirements. A room fee of 10% of gross ticket sales will also be charged by the Community Association to offset the cost of set-up fees and other custodial requirements.

5.4 Commercial Activity: When commercial activities are sponsored by the Association, or by a club, they are considered a membership program or service, and a separate facility rental fee is not charged. Commercial activities that solicit the Association for a commercial presentation, and are not sponsored by a Charter Club, may obtain facility space on an as-available basis only, and their use will not preempt regular membership activity. In these situations, the Lifestyle Director evaluates the value of the program to the general membership and the Association Board approves/disapproves accordingly. If approved, a commercial rate is charged for the use of the facility.

5.5 Club Contributions and Donations: Club financial programs are developed to ensure basic self-sufficiency. With few exceptions, club income should not greatly exceed expenses (operating expenses and capital requirements), resulting in a net operating gain. Where revenues do exceed expenses, the net gain should be used to foster continued club growth and activity. Clubs that generate sizable net gains should be sensitive to this philosophy by allocating their excess to the club (first), the Association (second) and to local community service organizations (third).

Clubs are expected to operate without the need for any outside support or subsidy, either from other clubs, the Association or outside parties. As noted above, clubs may charge dues and fees and may benefit from commercial activities under certain conditions. As stated in Paragraph 5.1, a club's primary source of revenue is membership dues. However, as needed, clubs may solicit or accept sponsorships from agencies, organizations, or commercial entities in exchange for display or promotional materials identifying or recognizing any such agency, organization, or commercial entity.

Sponsorships and donors may, in no way, interfere with the operational procedures of Del Webb, Pulte or the Association. Sponsorships or donations from realtors, builders, HOA management companies or any business/organization that would reflect negatively on Stone Creek, Del Webb or Pulte Homes (e.g., adult entertainment or similarly questionable) will not be accepted or approved.

All sponsorships or donations must be approved by the Association Board of Directors prior to accepting any funds or producing any materials. Clubs will submit a completed Sponsorship and Donation Request Form outlining the terms of the sponsorship to Association Management for review and approval. The request must include detailed descriptions and samples, if applicable, of any materials to be produced. Association Management will contact the club with approval or denial within 7 business days from the time it was submitted. The Association reserves the right to revoke an approved sponsorship at any time for any reason.

When a sponsorship or donor has been approved, the approved business may promote their services only during approved club activities and events. All promotional material must be approved by the Association Management team. Donors understand that their promotional capacity may be limited, and their business name may not be distributed outside of a particular event.

It is the responsibility of the club to keep track of their sponsors and/or donors expiration dates and update the club records accordingly. All revenue relating to sponsorships and/or donations must be recorded on the club monthly financial statements and any overage in excess of \$200 at the end of the year must be recorded in the club's annual budget.

Businesses may promote their business in the form of banners at the outside amenities only, and in approved locations. Banners must be between 3 and 4 feet tall and between 6 and 8 feet wide and be made of a durable, weather-proof material. Prior to creation, detailed proof must be approved by the Association Management team. Association Management team will contact the club with approval or denial within 7 business days from the time the proof was submitted. Once approved, the cost of creating the banner is the responsibility of the sponsoring entity.

Approved sponsors are allowed to promote their business name on club shirts and/or uniforms. Stone Creek and the club's name must be prominent on any club apparel. The sponsor's name or logo will only be allowed on the back of the shirt or uniform. No sponsor name is allowed on any other club apparel. All clubs produced apparel uniforms involving a sponsor or donor's name must be approved by the Association Board of Directors prior to production.

CHAPTER SIX

Role of the Community Activities Advisory Committee (CAAC)

The CAAC is an advisory committee that reports to the Stone Creek Community Association's Board of Directors (BOD) and has the following responsibilities:

1. Assist Charter Clubs and interest groups in the application process and recommend approvals to the BOD. Assist Charter Clubs in the creation of their Charter Club Bylaws as well as their Club Rules and Procedures document.
2. Advise clubs on any project or purchase by a Charter Club that would affect an amenity and recommend approvals to the BOD
3. Provide assistance and advice to the BOD if there is a concern about the functioning of a Charter Club.
4. Facilitate the following process which a member of a Charter Club should use in order to raise a concern about the functioning of the club:
 - a. The club member should first notify in writing the Board of Officers of their club of their concern, along with any proposed remedies.
 - b. The Charter Club's Board of Officers should respond in writing within 72 business hours to acknowledge receipt and propose next steps in addressing the concern.
 - c. The club member can then raise the issue to the CAAC if they are not satisfied.
 - d. The CAAC will then work with the member and the club, including its Board of Officers, to resolve the concern.
 - e. The CAAC will make recommendations to the BOD in order to resolve the concern.
5. As per the CAAC's charter, it may advise on other such matters as the BOD may request.