

Southern Kart Club

By-Laws

As amended to date: 30 September 2007

ARTICLE I: PURPOSE

Section 1. Sanction kart competition: The purpose of this organization shall be to organize and sanction kart competition activities. Of primary consideration shall be safety, sportsmanship and fair play.

Section 2. Provide safe environment: As a non-profit organization, all efforts will be concentrated on providing participants with a safe, well-organized racing program, adequate insurance protection and a wholesome family environment for our sport.

Section 3. Encourage young people: It is our goal to provide an environment to encourage young people to pursue their mechanical interest, learn to drive safely, and learn good sportsmanship.

ARTICLE II: MEMBERSHIP

Section 1. Active Members: Any dues-paying person of good character, age eighteen (18) or older, is eligible for Active membership in this organization with full privileges thereof. Active members shall be eligible to vote and hold office.

Section 2. Lifetime and Honorary Members: Lifetime or Honorary membership may be conferred upon any person of good character by a two-thirds (2/3) vote of the membership present at an annual election meeting. Lifetime and Honorary members shall have all of the same rights and privileges as Active members. Lifetime and Honorary members shall be eligible to vote and hold office.

Section 3. Junior Members: Any person less than eighteen (18) years of age shall be eligible for Junior membership in this organization. Junior members shall be those persons involved in this organization's racing program due to their being a family member of or are in association with an Active member, Lifetime member, or Honorary member. A Junior member shall not be eligible to vote or hold office. Junior members who are greater than twelve years (12) of age are eligible to become an Active member if they so desire and pay the then current annual dues for Active membership.

Section 4. Non-Voting Members: Persons who are members of the kart racing sanctioning organization providing the sanctioning authority for SKC, Inc. events shall be automatically conferred non-voting membership status in this organization. Non-voting members shall not be eligible to vote and shall not be eligible to hold office.

Section 5. Suspension and Termination of Members: The Board of Directors may suspend the membership privileges of any member for a definite period of time, may terminate the membership of any member, or may take such other action as determined by the Directors to be in the best interest of this organization, upon finding of violation of any rules and/or regulations of this organization, or for any other just cause.

- a. Notice in writing of such suspension or termination, and reason for such action, shall be delivered to the suspended or terminated member.
- b. Such member shall have the opportunity to be heard within thirty (30) days of the date of the suspension or termination. Such member shall be heard by the Board of Directors, or a committee thereof, if such member gives written notice to the President or the Secretary of the organization of their desire for such a hearing within the same time period.
- c. The decision of the Board of Directors shall become final upon the expiration of such thirty (30) day period, if reconsideration is not requested during such period, and shall become final upon reconsideration if such action is requested.

Section 6. Resignations: A member may resign their membership by giving written notice addressed to the Board of Directors of the organization. Such member's resignation shall be effective upon receipt thereof. Such member forfeits any dues monies paid to the organization for membership.

Section 7. Suspension for delinquent dues: Any member may be suspended by the Treasurer for non-payment of dues at that member's anniversary date.

- a. Suspension by the Treasurer shall be at the discretion of the Treasurer.
- b. Upon payment of back dues, a member suspended for non-payment shall be automatically reinstated providing any additional dues that have accumulated during the suspension period together with the delinquent amount that caused the original suspension are paid.

ARTICLE III: DUES

Section 1. Active member dues: Active membership dues shall be fixed by the Officers from time to time and adjusted as necessary to provide a balanced budget. Dues shall be payable one year after the member's initial joining date, and are delinquent thereafter.

Section 2. Junior members: There shall be no annual dues for Junior membership in this organization.

Section 3. Lifetime and Honorary members: There shall be no annual dues for Lifetime and Honorary members in this organization.

Section 4: Dues Non-Refundable: All dues shall be non-refundable.

Section 5. Expiration of Memberships:

- a. Active memberships expire December 31 of the year of purchase.
- b. Lifetime memberships expire upon the death of the Lifetime member.
- c. Honorary memberships expire one year from the date on which the membership was conferred unless otherwise specified at the time of conferment.

Section 6. Non-Voting Members: Non-voting members dues shall be fixed by the Officers from time to time. Non-voting membership expires on December 31 of each year.

ARTICLE IV. GOVERNMENT

Section 1. General Powers: The business and affairs of the organization shall be managed by the Board of Directors. The President of the organization (or in the absence of the President, the Vice President) shall act as Chairman of the Board of Directors at Board of Directors meetings.

Section 2. Number of Directors: The numbers of those on the Board of Directors of the organization shall be a minimum of six (6) and a maximum of ten (10). An officer of the organization may also be a member of the Board of Directors.

Section 3. Term of Directors: Each director shall hold office for a period of two years or until his/her death, resignation, retirement, removal or disqualification, or until his/her successor is elected and qualified. Half of the Board of Directors shall stand for election in any given year.

Section 4. Succession of Directors: A member serving as a Director shall be limited to four (4) terms of office. After that time, said member shall spend at least one (1) year not serving as a Director before becoming eligible for election to a Director position again.

Section 5. Membership of Directors required: Directors and officers are required to be Active, Lifetime, or Honorary member of the organization. Should a director or officer resign membership in the organization, they are effectively removed from office.

a. Directors shall not be an Officer or Director of any other karting organization.

Section 6. Removal from Office: Any director may be removed from office by the Membership as a result of failure to fulfill the duties of said office or conduct detrimental to the best interests of the organization. Said removal must follow these procedures:

a. A petition stating the charge(s) shall be filed with the Secretary and signed by sixty percent (60%) of the members of the Board or Directors or signed by sixty percent (60%) of the Active Members.

b. At the next regular meeting, the petitioners shall present their case first, said Director shall be heard second, and vote of active members present taken third. The vote of sixty percent (60%) of those active members present and eligible to vote shall be necessary to remove said Director from office.

c. Notice of the meeting shall be given to all active members eligible to vote not less than ten (10) nor more than sixty (60) days prior to the said meeting. The notice shall state that one of the purposes of the meeting is a vote on removal from office of the director(s).

Section 7. Method for Filling Vacancies: A vacancy occurring in the Board of Directors may be filled by a majority vote of the remaining Directors, through less than a quorum, or by the sole remaining Director; but a vacancy created by an increase in the authorized number of directors shall be filled only by election at a special meeting of the active members called for that purpose. (See Article V.) The Active members may elect a director at any time to fill a vacancy not filled by the Directors.

Section 8. Indemnification of Directors and Officers: The organization shall indemnify any person and his/her heirs, executors and administrators, against expenses reasonably incurred by them in connection with any pending or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, to which they may be a party by reason of their being or having been directors, officers, employees or agents of the organization, or at its request of which they are not

entitled to be indemnified, except in relation to matters as to which they shall be finally adjudged in such action, suit or proceeding to be liable for such negligence or misconduct. In the event of a settlement, indemnification shall be provided only in which the organization is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not be exclusive of any other rights to which they may be entitled.

ARTICLE V: ANNUAL MEETING OF MEMBERS FOR ELECTIONS

Section 1. Date, Time, and Location: The annual meeting of members for election of directors and officers shall be held at the last race event scheduled during the calendar year, or at such other time as shall be determined by the Board of Directors. The meeting shall be held at a place to be determined by the Board of Directors.

Section 2. Nominations: Nominations of candidates for office may be made from the floor or in advance by mail to the Board of Directors, if said mail nominations are received before the date of the meeting. All nominees must accept the nomination prior to the vote, either in person or in writing.

Section 3. Quorum: Unless otherwise provided by the statute, twenty-five percent (25%) of the active membership shall constitute a quorum.

Section 4. Voting Rights of Members: Each Active, Lifetime, and Honorary member shall be entitled to one vote. Absentee ballots will not be recognized except as authorized by the Board of Directors.

Section 5. Majority Vote Required: If a quorum is present, the affirmative vote of a simple majority of the members present at the meeting and entitled to vote on the subject matter shall be the act of the membership on that matter, unless the vote of a greater numbers is required by the statute or these By-Laws. If a quorum is not present, the members shall be polled via an independent third party via mail. A simple majority of those responding to the mailing within sixty (60) days of the mailing being posted shall be the act of the membership on that matter.

Section 6. Time for Taking Office: All directors and officers shall take office immediately following the annual election meeting.

Section 7. Additional Regular Meetings: Regular meetings of the members shall be held at such times and at such places as shall be determined by the Board of Directors. The secretary shall notify the members via normal methods of communication as to the date, time, and place of the Regular Member meeting no less than thirty (30) days before the meeting.

ARTICLE VI: DIRECTORS MEETINGS

Section 1. Regular Meetings: A regular meeting of the Board of Directors is defined as a meeting at which the Board of Directors considers the normal business affairs of the organization and such items as may be on a declared agenda for consideration. A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual election meeting of the members. In addition, the Board of Directors shall provide, by resolution or agreement in writing, the time and place for the holding of additional regular meetings.

Section 2. Notice: Notice of regular meetings of the Board of Directors shall be transmitted to the membership not less than thirty (30) days before said meeting.

Section 3. Membership Agenda items: Members may request the Board of Directors to add items to the agenda of a regular meeting for consideration. Members shall notify the Secretary of said agenda items not less than fourteen (14) days before the regular meeting.

Section 4. Special Meetings: A special meeting of the Board of Directors is defined as a meeting at which the Board of Directors considers items outside the scope of regular business affairs of the organization. Special meetings of the Board of Directors may be called by the President or at the request of a minimum of four (4) Directors.

a. The person or persons calling a special meeting of the Board of Directors shall, at least seven (7) days before the meeting, give notice thereof to the Directors and Officers of the organization by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

b. Attendance by a Director at a Special Board of Directors meeting shall constitute a waiver of notice of such meeting except where a Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called.

Section 5. Quorum: A majority of the Directors then in office as fixed by these By-laws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and the act of a majority of the Directors present at the meeting at which there is a quorum shall be the act of the Board of Directors, except as may otherwise specifically be provide by law. The affirmative vote of a majority of the Board members present may adjourn any meeting without further notice at any time.

Section 6. Attendance and Failure to Object: Attendance of a Director at a meeting shall constitute a waiver of notice of the meeting, except, as provided in Section 4 of this Article, when a Director attends a meeting for the express purpose of objecting to the business because the meeting is not lawfully called or convened.

Section 7. Action Without a Meeting: Action taken by the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by a majority of the Directors. The signed action and minutes of the proceedings of the board leading up to the action shall be filed with the Secretary as soon as is reasonably possible.

ARTICLE VII: OFFICERS

Section 1. Type Of Officers: The officers of this organization shall consist of the President, a Vice President, a Secretary, and a Treasurer, a Member's Representative, and such other officers and assistant officers and agents as may be deemed necessary and elected or appointed by the Board of Directors.

Section 2. General Authority and Duties: All officers and agents of the organization, as between themselves and the organization, shall have such authority and perform such duties in the management of the organization as may be provided in these By-laws or as may be determined by resolution of the Board of Directors not inconsistent with these By-laws.

Section 3. Selection and Qualifications: The principle officers shall be selected annually by the Board of Directors directly after the election of the Directors as detailed in Article V of these by-laws.

a. Officers must be members in good standing as detailed in Article II of these by-laws.

b. Members selected to serve as officers may not be an officer or director of any other karting organization.

c. Should an officer accept an officer position or directorship in any other karting organization, said officer shall immediately be removed from office in this organization.

Section 4. Term of Office of Officers: Each officer shall hold office for one (1) year or until his/her successor is chosen and qualified, or until his/her death, resignation or removal, whichever event shall first occur.

Section 5. Succession of Officers: An officer shall be limited to four (4) terms in office. After that time, the officer must spend one (1) term not holding that office position before becoming eligible for election to that officer position again.

Section 6. Removal as Director Also Removal as Officer: If any officer shall be both an officer and director, removal of that individual as a Director of the organization shall also serve as a removal of that individual as of officer of the organization. Where an officer is not also a Director of the organization, that officer may be removed by utilizing the same procedures provided in these By-laws for the removal of directors.

Section 7. Vacancies: Any vacancy in any office because of death, resignation, removal, or any other cause, shall be filled for the unexpired portion of the term in the manner prescribed in these By-laws for election of appointment to the office.

ARTICLE VIII: DUTIES OF OFFICERS

Section 1. President: The President, as chief officer, shall, subject to the approval of the Board of Directors, supervise, direct, and control the organization's business and affairs. The President or Vice President shall preside at all meetings of the members and Board of Directors.

Section 2. Vice President: The Vice President, who shall preside at membership and Board of Directors meetings in the absence of the President, shall also work with the President on such affairs of the organization as membership, finances, and organizing competition programs.

Section 3. Secretary:

a. The Secretary shall give notice of all membership meetings, all Board of Directors meetings, and shall keep a permanent record of the minutes of such meetings.

b. The Secretary shall record and keep as record any changes to the Policies and By-laws of the organization as they occur during his/her term of office.

c. The Secretary shall upon expiration of his/her term of office supply to their successor all records of minutes of all meetings and an up-to-date copy of the By-laws and Policies of the organization as amended during the Secretary's term of office.

d. The Secretary shall be custodian of all official records of the organization.

Section 4. Treasurer:

- a. The Treasurer shall be responsible for the accounting and collection of monies due the organization and monies received by the organization.
- b. The Treasurer shall keep the books of the organization and disperse funds as required, and shall report on the financial condition of the organization at the regular membership meetings.
- c. The Treasurer shall prepare an annual report for audit by his/her successor and other such times as requested by the Board of Directors for means of periodic auditing by an independent accountant.
- d. The Treasurer shall be responsible for document preparation and filing of required documents in relation to taxes, licenses, etc. that may be needed to comply with requirements of Federal, State, County and local governments.
- e. The Treasurer shall not incur obligation, debt, or other liabilities without specific approval by the Board of Directors.
- f. The Treasurer shall disperse the funds of the organization for recurring expenses as directed by a majority of the Board of Directors via a list of approved recurring expenses. The Treasurer shall include the approved list of recurring expenses as part of the financial report of the organization.

Section 5. Member's Representative: The Member's Representative shall oversee the actions of the Board of Directors to ensure said actions represent the wishes of the membership and follow these by-laws and written policies. The Member's Representative shall act as chairman for the Court of Appeals (see Article IX) when the Court convenes.

ARTICLE IX: COURT OF APPEALS

Section 1. Organization: The Court of Appeals shall be chaired by the Member's Representative. The Member's Representative shall appoint four (4) members from the Officers, Directors, or Active Members of the organization when needed to review an appeal.

Section 2. No conflict of interest: Members selected to serve on the Court of Appeals shall not have participated in the original event or action that the Court will review to render a decision, or shall not have been directly or indirectly interested or involved in the matters under consideration.

Section 2. Notice of Appeal: The Notice of Appeal shall be US Government postmarked or registered with a carrier service within ten (10) days after the announcement of the decision being appealed. The Notice shall:

- a. Specify the party making the appeal,
- b. State the decision or portion thereof that is being appealed,
- c. Explain the reason or reasons why the appeal should be decided in the member's favor,
- d. Include all information and evidence the appellant wishes the Court to consider,
- e. State, if applicable, which parts of these By-laws or written policies of the organization are considered to have been enforced in a manner that was not fair or equitable to the appellant,

f. Include an appeal bond of the amount specified in the Financial Policy statement of the organization.

Section 3. Withdrawal of Appeals: An appeal properly started may be withdrawn, without penalty, by written notice to the Court of Appeals prior to the start of review of the appeal by the Court of Appeals. Review of the appeal shall have started when the members of the Court have physically received copies of the appeal and begin review at a regular session of the Court.

Section 4. Financial Obligations: The appellant shall have discharged all financial obligations to the organization before an appeal will be heard.

Section 5. Stay of Decision: An appeal filed on a decision involving suspension of competition privileges or expulsion from the organization will permit the appellant to enter and compete in subsequent races until the appellant's appeal has been decided and a decision announced by the Court of Appeals. The results and awards from these races shall be considered provisional until the Court's ruling upholds or overturns the suspension or expulsion. Should the court uphold the suspension or expulsion, the awards won by an appellant in races while awaiting the Court of Appeals ruling shall be considered null and void. Race results for these events shall be revised to entirely remove the appellant's name and other information from the Final and Official results.

Section 6. Well founded appeals: For an appeal to be considered well founded, it shall be based on sound evidence. Reasonable people may differ on the interpretation of the evidence. An appeal may be determined to be well founded even if the first decision remains unchanged by the Court of Appeals.

Section 7. Hearing Appeals: All properly filed appeals shall be heard by the Court. The court shall review the minutes of the meeting leading up to the original decision, the Notice of Appeal, and shall make any other inquiries it feels warranted, before making its decision. The Court may, at its discretion, require the appellant to submit any additional evidence the Court deems necessary for an equitable decision; hear directly evidence from any person deemed to have any pertinent information or necessary data prior to making a decision; permit other parties to the decision under appeal to make written comments on the appellant's Notice of Appeal; and/or seek information from any source it desires. The Court of Appeals shall make every effort to make its final decision and render a decision on the appeal, within thirty (30) days of its receipt of the Notice of Appeal.

Section 8. Judgment of the Court of Appeals: After considering all materials it deems relevant, the Court of Appeals shall meet privately, reach its decision, and prepare a written opinion. It may decide that the original action or decision should be nullified, mitigated, affirmed, increased, or a different action or decision imposed, but shall not order a competition to be re-run in the case of actions or decisions from a competition event. The Court may order the return or forfeiture of appeal bonds. The Court's decision shall be final, binding, and not subject to further appeals by any other party, either within the organization or outside the organization.

Section 9. Publication of decision: The organization shall distribute a copy of the final decision of the Court to all parties of the appeal as soon as possible after the decision becomes final and will use its best efforts to publish said final decision as soon as possible after finalization. Persons, entrants, or organizations referred to in each said decision shall have no right of action against the organization or any person publishing such notice, and said decision shall be final and binding.

ARTICLE X: COMMITTEES

Section 1. Creation of Committees: From time to time, the Board of Directors shall create committees to address business issues or topics pertinent to the organization. Each committee shall be provided with a clear task and list of goals. Upon completion of the listed goals or tasks, the committee shall report their findings to the Board of Directors.

Section 2. Dissolution of Committees: Committees shall be dissolved by the chairman of the committee when the committee task is complete or by direction from the Board of Directors.

Section 3. Appointment: All Committee chairmen and committee members shall be appointed by the President, subject to the approval of the Board of Directors.

Section 4. Ex-Officio Members: The President and/or Vice President shall be ex-officio members of all committees.

ARTICLE XI: CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 1. Authorization Required: No member of this organization shall contract for or incur any debt or enter into any agreement or otherwise obligate this organization except by authorization of the Board of Directors.

Section 2. Bank Accounts: The organization shall have one or more bank accounts, as determined by the Directors.

Section 3. Loans: The Board of Directors may arrange for a loan to ensure the organization's finances. The Board of Directors must be unanimous in voting for authorization for a loan. The Treasurer shall authorize the loan amount, the term, and the interest rate of the loan.

Section 4. Checks: The Treasurer shall disburse the funds of the organization at the direction of the Board of Directors.

Section 5. Deposits: The Treasurer or designee shall deposit all monies and other assets in the organization's bank accounts.

ARTICLE XII: RULES OF ORDER

Section 1. Roberts Rules: Roberts Rules of Order shall govern the proceedings of all meetings of the organization and its constituent parts, except as otherwise provided in these By-laws.

Section 2. Proxy Votes: At a Board of Directors meeting, each Director shall be limited to one (1) proxy vote.

ARTICLE XIII: POLICY

Section 1. Establishment of Policies: Written policies may be established by the Board of Directors, which shall state the rules of competition program, duties of officials, handling of finances, and other matters of concern to the organization. These policies may be changed or deleted from time to time, as determined by the Board of Directors. The Secretary shall keep a record of the written policies of the organization on file.

ARTICLE XIV: AMENDMENTS

Section 1. Voting on Amendments: The By-laws may be amended by a two-thirds (2/3) vote of the membership eligible to vote. Any proposed change must be presented to the membership by an independent third party via mail at least thirty (30) days prior to voting on such change. Each member eligible to vote shall have one vote. The vote shall be counted by an independent third party and the results shall be presented to the Board of Directors.

ARTICLE XV: PERSONAL LIABILITY

Section 1. Members: Neither the members of the organization, nor Officers, present or future shall be held personally liable for any claim, damage, or debt against the organization or its members.

Section 2. Assets: No member of this organization shall have the right to individual proceeds of the organization assets or property.

ARTICLE XVI: MISCELLANEOUS

Section 1: No Personal Benefit: No part of the organization shall inure to the benefit of any Director, officer, employee, or member of the organization, or any private individual (except that reasonable compensation may be paid for services rendered to or for the organization affecting one or more of its purposes), and no officer, Director, employee or member of the organization, or any private individual shall be entitled to share in the distribution of any of the assets of the organization upon dissolution of the organization, or in any other event.

Section 2. No Prohibited Actions: Notwithstanding any other provision of these By-laws, the organization shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization except under Section 501(3) of the Internal Revenue code of 2005, and its regulations as they now exist or as they may hereafter be amended.

Section 3. Use of Funds: The organization shall receive, administer, maintain, use and employ its funds, net earnings and property, real and personal, exclusively for the purposes permitted under Section 501 (c) of the Internal Revenue Code of 2005, as amended, relating to tax-exempt corporations, and the regulations pertaining thereto, and to pursue such purposes either directly or by contribution to organizations which qualify as exempt pursuant to the said Code and section thereof.

Section 4. Distribution of Assets: In the event of the liquidation, dissolution or winding up of the business and affairs of the organization, whether voluntary or involuntary or by operation of law, the Board of Directors shall, after paying or making provisions for the payment of all liabilities of the organization, distribute all of the assets of the organization to such corporation(s) or organization(s) under Section 501 (c) of the Internal Revenue Code of 2005 (or the corresponding provisions of any future United States Internal Revenue law), as the Board of Directors shall determine.