



**Latitude at Hilton Head
Association
Rules and Regulations for
Resident Chartered Clubs
& Interest Groups**

Latitude at Hilton Head Association Rules and Regulations for Chartered Clubs

Lifestyle at Latitude Hilton Head provides our residents with leisure, exercise, socialization, and entertainment. So that our Club programs and activities remains enjoyable for all, it is important that we respect our amenities and our fellow residents who utilize them. We welcome all to enjoy our world of fun, friendship, and learning.

Definition & Overview

A Chartered Club is defined as any group of members that elect to pursue a common interest in a unique hobby, social, recreational, or cultural activity, subject to criteria established by Latitude at Hilton Head Association Board of Directors. Once a Club has met all requirements, members are entitled to special benefits and assume responsibility for planning and implementing their own activities under Board approved guidelines. Although Club activities are not directly planned or implemented by the associates of the Management Company, close coordination between Clubs and Latitude at Hilton Head Association is necessary to ensure requirements for charter are met and that facility space is available to support the Club's specific functions.

Benefits of an official charter for a Club include access to dedicated facility space at no charge for hosting member activities and various levels of administrative support from the Latitude at Hilton Head Association. Limited coverage from the Latitude at Hilton Head Association insurance policy can also be provided subject to the terms and limitations of that policy. As a benefit to the Latitude at Hilton Head Association, implementation of a Chartered Club operating structure can help complement the overall menu of lifestyle offerings and quickly elevate levels of participation in programming. The structure also helps foster the sense of community while promoting a safe, inclusive, and enjoyable experience for members. When Club activities are aligned with a reasonable set of standards to guide their operations, risk and liability can additionally be minimized and assets of the Latitude at Hilton Head Association better protected and preserved.

The following content outlines the suggested structure and provides the rules and regulations for Chartered Clubs. Benefits of formal charter, levels of authority, process, and distinctions between Clubs and Interest Groups are discussed. Template resources, including a charter application and sample By-Laws to assist members with implementing a Chartered Club operating structure, are included in the Appendix section of this resource.

Benefits of Formal Chartered Clubs

- **Access to Meeting Space:** Dedicated amenity space will be reserved by the Latitude at Hilton Head Association Lifestyle Team for use by the Chartered Club without charge for the purpose of hosting their regular Club meetings and programs. Access to amenity space is subject to availability and prior authorization from management as part of an approved annual schedule. Space will be allocated based on the nature of the activity, the total number of Club members, programming needs of the community-at-large, and other factors. Maximizing amenity utilization and accommodating new Clubs that may form as the community evolves will be key objectives. If the needs of the general membership warrant, the Latitude at Hilton Head Association reserves the right to pre-empt Club space. Rental fees may also apply to Clubs requesting use of an amenity for a special purpose above and beyond their regular meeting time. Amenity space must be returned to its original condition after each meeting.
- **Room Set-up & Maintenance:** Clubs are responsible for managing their own room set-up and clean up. The Latitude at Hilton Head Association will provide routine maintenance of amenities allocated for use by Chartered Clubs. Community Association facilities are owned and maintained by and for the benefit of the members. If something breaks or wears-out, it becomes a community-wide cost to repair or replace the item. Therefore, costs associated with maintenance of the facility shall be charged to the Club or other entity using the facility at The Board's discretion. Costs may also include a fee for the privilege of exclusive use of an amenity.
- **Insurance Coverage:** Latitude at Hilton Head Association maintains insurance coverage for activities and programs for the community. Since Chartered Clubs function as a lifestyle programming arm of Latitude at Hilton Head Association, they are extended some coverage from the Latitude at Hilton Head Association insurance program subject to the terms, conditions, and limitations of that policy.
- **Latitude at Hilton Head Administrative & Marketing Support:** Clubs are given a specified level of administrative and marketing support for the operation of their activities. This may include an opportunity to promote the Club and/or the Club's activities in the Latitude at Hilton Head Association lifestyle community calendar, dedicated community website, and/or the Association's social media page. All rules and regulations are applicable for all marketing support.

Authority to Charter Clubs

The authority to formally charter Clubs rests with Latitude at Hilton Head Association Board of Directors. This authority may be delegated to the General Manager, Community Manager, Lifestyle Manager, or other representatives of the Latitude at Hilton Head Association. The approval entity will be responsible for coordinating and implementing Board policy for Chartered Clubs, allocating amenity space, and assisting Club officers with Club marketing, promotion, and any operational concerns. The Board of Directors, at their discretion, may amend these rules and regulations at any time.

General Terms & Criteria for Charter Clubs

To initially qualify and maintain Charter Club status, Clubs must meet the following terms and conditions:

- **Rules & Regulations:** Clubs are required to abide by, and are subject to, all governing documents as defined within the Declaration for Latitude at Hilton Head Association. This includes, but is not limited to, all policies, use restrictions, amenity rules and regulations, and any applicable local, state, or federal laws.
- **Activity:** Club activities must be oriented toward members that share a common interest in a specific hobby, social, recreational, or cultural activity. Groups that are perceived to be discriminatory or exclusionary may not satisfy the intent for Charter approval.
- **Member Composition:** A minimum of 10 interested members are required before a group may submit application for charter. Membership must be open to all members without discrimination as to race, religion, political preference, ethnic background, etc. Charters will not be granted to groups that set limitations on who may join or preconditions for membership. However, segregated activities for male and female members may be established if desired by both genders (i.e.: men's and ladies' Golf Clubs).
- **Election of Club Officers:** To promote effective administration of Charter Club programs and operations, Clubs will elect an executive board of officers on an annual basis. At a minimum, the Board will be comprised of a president, vice president, and secretary/treasurer. For Clubs that anticipate collection of dues to fund Club activities, a treasurer must be appointed.
- **By-Law:** The Club elected Board will establish a set of By-Laws to initially define the Club's operating structure and serve as the basis for their ongoing operations. These By-Laws must be approved by Latitude at Hilton Head Association.
- **Fees & Charges:** A Club's primary source of revenue is membership dues by Club members. Dues should be set at an absolute minimum with the intent of covering basic operating cost and not generating significant operating gain. Special assessments may not be levied without approval of the Association Board of Directors. Clubs are intended to be non-profit.
- **Contracting with Instructors for Services:** Clubs must obtain written approval from Latitude at Hilton Head Association prior to engaging any third-party services. Whenever possible, Clubs are

encouraged to first seek qualified instructors from their own membership if required to facilitate Club programs. If the need to obtain a qualified instructor or service provider outside the membership arises, Clubs must abide by Latitude at Hilton Head Association policy for independent contracting. Requirements may include use of a standard independent contractor agreement that documents terms of the engagement and pre-requisite for some instructors to hold applicable industry certification and specified levels of insurance, etc.

- **Facility Scheduling:** Clubs will be required to submit a request for their preferred amenity space at Latitude at Hilton Head Association. Management reserves the right to evaluate all Club requests at that time and do their best to fairly allocate space. Every effort will be made to honor a Club's request, but meeting space allocation will be influenced by existing lifestyle events, the total number of Clubs, the amenities available, the size/composition of the membership base, and other factors, and is at the discretion of the Lifestyle Manager.
- **Special Event Use:** Chartered Clubs desiring to conduct a special event in a general use area of the Association should contact the Lifestyle Manager for space availability, facility requirements, and rental fee requirements (as applicable). Chartered Clubs will complete and submit any rental information forms requested by the Association.
- **Financial Controls & Tax Reporting:** Clubs must establish appropriate financial controls and submit monthly and annual financial reporting to the Association for recording revenues, expenses, net income, etc. under the Association's Federal Tax ID Number. A monthly reconciliation must be received by the Lifestyle Manager and Community Management no later than the 10th of the following month and should be certified by the Club treasurer. An annual report and audit must be certified by Club officers and submitted to Association Management no later than February 1st of each calendar year. The Club's elected treasurer is responsible for maintaining and reporting financial records, controlling costs, and overseeing the purchase of Club assets, inventory, and supplies. Club By-Laws should specify levels of control and include provisions that accommodate the following requirements:
 - Precluding a single individual from ordering, receiving or dispersing funds and equipment.
 - Dual signatory on checks over a designated dollar limit.
 - Periodic inventory and reconciliation of Club assets.
 - Routine deposit of all Club revenues in a bank account established in the Association's name with DBA (doing business as) the Club's name.
 - Establish a Club bank account at the Association's main bank (if possible) using the Association's Federal Tax ID. Since Club financials are recorded under the Association tax returns, Clubs do not obtain a separate Federal Tax ID or file separate IRS returns.
 - Signatory rights on Club accounts for both the Association and designated Club officers.
 - Management of the Club's bank accounts by Club officers but precluding them from opening

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- or closing the account without written authorization from the Association Board signatory.
- Requirement for all disbursements to be made by check or from an approved petty cash fund with supporting receipts and documentation.
 - Mandate for all transactions to be recorded in Club financial records and preserved for 7 years.
 - Routine reporting by the Club treasurer as mentioned above on Club finances to the community at regular meetings and recording in the Club meeting minutes.
- **Termination of Charter:** Latitude at Hilton Head Association Board of Directors reserves the right to revoke a Club's charter in the event that the above financial controls are not adhered to, the membership of the Club declines below a specified minimum, the Club violates any Latitude at Hilton Head Association governing documents as defined in the Declaration and any rules and regulations or applicable laws, or when irreconcilable conflicts occur among the membership or place Latitude at Hilton Head Association in an unfavorable position.
 - **Club Guests:** Clubs must approve a guest policy that enables members interested in joining the Club to participate in Club activities on a trial basis. Non-resident guests are not eligible for Club membership but may be invited to accompany a resident to a Club meeting, subject to guest policies approved by the Association and the Club. If there is a conflict between the Club rules and the Association, the governing documents of the Association prevail. During the development period of a new community, the Latitude at Hilton Head Association reserves the right to enable prospective buyers to sample the community lifestyle through occasional participation in a Club program.
 - **Club Monitors:** Clubs must designate a qualified Club member to act as facility monitor while Club activities are in progress. Monitors will oversee the check-in of all members and any guests and ensure that all Latitude at Hilton Head Association and Club operating policies, rules, and regulations are satisfied.
 - **Safety:** Any Club using power machinery or engaging in activities that, at Management or the Board of Directors determination, carry a higher level of associated risk will be required to establish and post written safety rules or require safety training prior to use of the amenities. The Club should appoint a safety committee to help train members and oversee the program.
 - **Incident/Accident Reporting:** All incidents or accidents occurring during a Club program should be reported by the Club to Latitude at Hilton Head Association management team within 24 hours. Management will provide a standard Incident/Accident Reporting form to be used for this purpose. If emergency medical attention is required, the Club Monitor must immediately notify an emergency response provider by calling 911. The Latitude at Hilton Head Association General Manager should be notified of the incident within 24 hours.
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- **Resale Activities:** To protect its status as a non-profit corporation, the Latitude at Hilton Head Association prohibits Chartered Clubs from selling merchandise or engaging in other commercial activities without advanced approval of the Latitude at Hilton Head Association Board of Directors.
 - **Intellectual Property Rights:** In accordance with Section 21 of the Declaration, Clubs acknowledge and agree that they do not have a license for the use of “Margaritaville Intellectual Property” including, without limitation, all logos, trade names, trademarks and service marks that are the proprietary property of Margaritaville Enterprises, LLC.
 - **Gaming:** Any gaming in violation of South Carolina Statutes will not be permitted.
 - **Community-wide Programs & Events Hosted by Chartered Clubs:** The primary intent of the Chartered Club structure is for activities to be designed solely for the enjoyment of the Club’s members and guests. Clubs that wish to engage in the planning or hosting of special activities or events that are intended to be marketed to the community-at-large must obtain advanced approval from Latitude at Hilton Head Association and/or Board. This helps ensure that Club activities will not conflict or compete with other programs already planned by the Latitude at Hilton Head Association.
 - **Dissolution of a Club:** If a Club disbands or a charter is revoked, all Club assets, both finances and equipment, immediately transfer and become assets of the Association.
 - **Storage:** Due to the popularity and volume of the activities and programming by our Lifestyle team, storage space will not be provided to any Charter Clubs, interest groups, or individuals on a permanent or temporary basis. All items must be brought in and taken out after each meeting.
 - **Fundraising:** Charter Clubs shall not be permitted to use the Community Association property, which is owned by all members, as a means of profiting for their particular Club. Clubs may not use the Association official social media group to fund raise.

Establishing a Charter Club / Application for Charter

To apply for status as a Chartered Club of the Association, groups are required to review a copy of these operating guidelines and submit a formal application for charter and a set of By-Laws that define the operating structure for the Club. A copy of the application is attached. A copy of the template to be used for establishing By-Laws is also included. Once both documents are complete, they should be submitted to both the Lifestyle Manager and the management company for the Latitude at Hilton Head Association. If all requirements have been satisfied, and the Club’s application is approved, they can be provided with a written approval which grants and authorizes their status as a Chartered Club.

Interest Groups & Community Service Groups

Although some groups will form that do not satisfy the suggested criteria or Board's intent for a formal charter, the Association recommends that these groups be classified as independent Interest Groups that do not qualify for the same level of benefits as a Chartered Club. These may include groups that elect not to submit application for charter or are unable to meet the criteria established by the Board. In these situations, the Latitude at Hilton Head Association may still provide complimentary meeting space or other temporary support to assist the group in their start-up efforts. Thereafter, if Chartered Club status cannot be obtained after a 3-month period, room use fees may apply. Since oversight of non-chartered group activities and finances are not facilitated through Latitude at Hilton Head Association, there are no requirements for financial reporting to Management nor the same level of coverage extended under Latitude at Hilton Head Association's insurance policy. Access to Latitude at Hilton Head Association's communication resources may also be limited to a one-line posting of the group's name and contact person on the community website. Distinctions between Chartered Clubs and Interest Groups are defined in further detail below.

Code of Conduct

- The use of profanity, obscenity, or vulgarity in any conversation involving participants or department staff will not be tolerated.
- It is everyone's responsibility to maintain a safe, pleasant, and comfortable atmosphere.
- Please leave our amenities the way you found them.
- Treat all with respect. Treat others as you wish to be treated.

	CHARTERED CLUBS	INTEREST GROUPS
COMPOSITION	Board approved group that shares common interest in a hobby, social or recreational activity, etc.	A group not yet approved for charter or that does not meet criteria or a group wishing to limit its membership.
MEMBERSHIP	Open to all bona fide members without discrimination to race, religion, background, etc.	May be limited only to a select group based on pre-conditions.
MEETING SPACE	Reserve space dedicated & made available to the Club for hosting their regular activities at no charge.	Meeting space provided by the Board at approved times on a first-come, first-serve basis.
INSURANCE	Extended limited coverage under the Association's insurance policy.	Extended limited or no coverage under the Association's insurance policy.
REPORTING & CONTROLS	No fees, dues or charges may be collected on behalf of the Latitude at Hilton Head Association.	Bound only to Association policies that apply to general membership or outside rental groups.
ASSOCIATION SUPPORT	Maintenance and marketing are provided to Clubs through the Association when possible.	Limited levels of marketing and administrative support are provided through the Association.
CLUB OPERATIONS	Maintain benefits associated with status as a Chartered Club. Clubs are required to abide by the policies and procedures outlined in Chartered Club Rules and Regulations as approved by the Latitude Hilton Head Association Board as well as general Association policies and procedures that apply to all members while using amenity meeting spaces.	Interest Groups are not required to follow policies and procedures outlined within the Chartered Club criteria and therefore are not entitled to the same level of benefits that are extended to Charter Clubs. Interest Groups must follow all general Association rules and regulations that apply to all members of the community while using amenities.



CHARTERED CLUB BY-LAWS TEMPLATE

These By-Laws outline the composition and planned operating structure for the Latitude at Hilton Head Association Chartered Club. The By-Laws will serve as the basis for all Club operations and affirm intent of the membership to willfully comply with the Latitude at Hilton Head Association Governing Documents, all applicable statutes, and all rules, regulations, and operating guidelines pertaining to Chartered Clubs.

(NOTE: Content highlighted in red below must be completed by the Club. Content in black reflects mandatory components for inclusion in the By-Laws for all Latitude at Hilton Head Association Chartered Clubs).

ARTICLE I – GENERAL CLUB INFORMATION

- Section A. **Name of Club**
- Section B. **Purpose of Club**
- Section C. This Club shall be operated as a non-profit Latitude at Hilton Head Association Chartered Club in accordance with applicable statutes and the Latitude at Hilton Head Association Governing Documents.
- Section D. The Club may submit a request for amenity space to Latitude at Hilton Head Association on a specified schedule. Membership understands that every effort will be made by Latitude at Hilton Head Association to honor the Club's requests, but meeting times and space allocations cannot be guaranteed on a permanent basis.

ARTICLE II – CLUB MEMBERSHIP

- Section A. Membership in the Club shall be open to all Latitude at Hilton Head Association members in good standing without discrimination including but not limited to, as to race, religion, color, ethnic culture, or national heritage. There shall be no precondition for membership.
- Section B. The Club will submit an updated membership roster at each bi-annual Lifestyle Meeting.
- Section C. **Club Guest Policy**
- Section D. **Club Membership Dues Structure**

ARTICLE III – CLUB OFFICER ELECTIONS

- Section A. At a minimum, the Club’s executive board shall consist of a president, vice-president and secretary/treasurer. The secretary/treasurer may be the same person. All officers shall be elected by a vote of the Club membership and serve without compensation.
- Section B. **Terms of Office and Responsibilities of Board Members**
- Section C. **Procedure for Nominating & Electing Club Officers on an Annual Basis and Filling Interim Vacancies on the Board**

ARTICLE IV – MEETINGS OF THE MEMBERSHIP & BOARD

- Section A. Meetings of the Club Board & Club Membership may be conducted using Parliamentary Procedure & Roberts Rules of Order.
- Section B. **Schedule & Frequency of Meetings**
- Section C. **Voting and Quorum Procedures**

ARTICLE V – FINANCIAL CONTROLS & TAX REPORTING

- Section A. If dues or other monies are collected to support Club operations, the Club will comply with all requirements for establishing a Club bank account as defined below:
1. The Club bank account will be established at the Association’s main bank, or other bank as approved by the Board of Directors, using the Association’s Federal Tax ID Number.
 2. Both the Association & designated officers of the Club will have signatory rights on the Club bank account.
 3. Club officers will be responsible for managing the Club’s bank account but will not open or close the account without written authorization from the Association Board.
 4. Monthly reconciliations must be received no later than the 10th of each month, by the Lifestyle Manager and the management company.
- Section B. If dues or other monies are collected to support Club operations, the Club will comply with all requirements for establishing cash & inventory controls as defined below:
1. The Club will elect a Treasurer as an Officer of the Board.
 2. All Club revenues will be deposited in the bank account established in the Club’s name.

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3. All disbursements will be made by check or from an approved petty cash fund.
 4. A record of all deposits and disbursements with supporting receipts for purchase or invoices will be documented and retained on file in the Club financial records for a period of 7 years.
 5. Single individuals will be precluded from ordering, receiving, or dispersing assets.
 6. Dual signatures will be required on checks over a designated dollar limit. Dollar limits will be set at \$500.
 7. Club assets will be inventoried and reconciled on a quarterly basis.
 8. Club financial records will be certified on an annual basis by an individual(s) other than those elected to the executive board. The results will be presented to the general Club membership and recorded in the applicable minutes of the meeting.

Section C. The Club will submit an annual financial report to the Association for recording revenues, expenses, net income, etc. under the Association's tax returns. The report should be certified by Club Officers and submitted to Association Management no later than February 1st of each calendar year.

ARTICLE VI – CONTRACTING WITH INSTRUCTORS AND/OR SERVICE PROVIDERS

The Club will comply with all Latitude at Hilton Head Association procedures for contracting third party instructors or service providers, as required to facilitate Club programs.

ARTICLE VII – SAFETY, RISK MANAGEMENT & INCIDENT/ACCIDENT REPORTING

Section A. The Club will comply with all general safety, risk management, and Incident/Accident reporting procedures as defined by the Latitude at Hilton Head Association & Board. Safety procedures and membership training programs oriented toward specific Club activities perceived to carry a higher level of risk will also be developed and monitored by a designated Club Safety Committee as directed by the Latitude at Hilton Head Association Board.

Section B. **Define Club Safety Procedures, as Applicable**

ARTICLE VIII – AMENDMENTS TO THE BY-LAWS

In the event the Club wishes to consider an amendment to the By-Laws, a vote of the Club membership will be required at a meeting duly called for such purpose. Notice of the meeting will be provided to the Club membership in advance and a quorum must be present to qualify the vote. Amendments to the By-Laws must first be approved by the Board of Directors.

ARTICLE IX – DISSOLUTION OF THE CLUB

In the event the Club dissolves, all debts will be satisfied, and all property and assets shall be turned over to, and ownership retained by, the Association.

Club Representative:

Name: _____ Signature: _____ Date: _____

Latitude at Hilton Head Association- Representative:

Name: _____ Signature: _____ Date: _____