

TO: Members of Sans Souci Tennis Club (SSTC)

FROM: Tennis Executive

DATE: November 8, 2021

RE: Forthcoming Member Vote: Draft By-law No. 2021-1

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You will recall at the annual meeting of members this past August that we reported on a plan to reorganize SSTC by creating a non-profit corporation that would, on a going forward basis, be responsible for the operation, care and maintenance of SSTC's tennis facilities.

Among other things, creating a non-profit corporation and operating the tennis facilities through it will provide liability protection to the members, as well as permit the club to enter into contracts (i.e insurance, SSCA lease). Currently, as you know, SSTC is an unincorporated association of its members, which means it has no separate legal standing apart from its members.

Since the annual meeting, we have consulted with the law firm Iler Campbell LLP. One of the recommendations from the lawyer is to ensure that, as part of the reorganization, SSTC is wound up, which will include the transfer of all of SSTC's assets and liabilities to this new non-profit corporation.

After reviewing SSTC's current by-law (By-law No. 2-2011), the lawyer is recommending that the attached By-law No. 2021-1 be passed by the membership of SSTC. This draft by-law, when passed, will do four things:

1. Confirm that SSTC is to be operated on a non-profit basis, which means that all of SSTC's income and property is to be used to further the purpose of SSTC (the operation of the tennis facilities for the members) and that none of its income or property is to be made available for the benefit of its members (as you'll see this does include paying members for services that they may provide or reimbursing the initial membership entrance fee as provided for under By-law No. 2-2011).
2. SSTC may be wound up by the members by a majority vote.
3. Upon winding up, SSTC is to distribute any of its remaining property to an entity set up for a purpose similar to SSTC's purpose, which, in the circumstances, will enable the transfer of the assets and liabilities of SSTC to the new non-profit corporation referred to above and intended to assume responsibility for the operation of the tennis facilities.
4. The Tennis Executive is authorized to select the entity to transfer the remaining property of SSTC, which will be the new non-profit corporation referred to above.

**The Tennis Executive is therefore recommending the adoption of draft By-law No. 2021-1.**