

BY-LAWS FOR THE MIDDLETOWN SWIM CLUB

ARTICLE I: NAME

The name of this organization shall be Middletown Swim Club (MSC).

ARTICLE II: OBJECT

The objects of this organization shall be to provide education on water safety and available sporting activities; make group recreation and sport available for its members; to promote the spirit of clean sportsmanship and high ideals in the participation of such group sports and recreation; to acquire such property real and personal that shall be deemed necessary in order to carry out the purposes herein set forth; and to construct; operate and maintain such facilities (including, but not limited to swimming pools and playgrounds) as shall be deemed necessary in carrying out the purposes herein contained. MSC shall be operated strictly as a nonprofit organization.

ARTICLE III: GOVERNMENT

Section 1. This organization shall be managed by a Board of Directors which shall be composed of nine (9) members in good standing, including stock holding members, social members, or any other classification as appropriate in the future.

Section 2. At each annual meeting of the members of this organization three Directors shall be elected from among the membership in good standing, to serve for a term of three years or until their successors are elected.

Section 3. Any member of the Board of Directors who shall cease to hold membership in this organization shall automatically cease to be a member of the Board of Directors.

ARTICLE IV: BOARD OF DIRECTOR AND OFFICERS

Section 1. In addition to all the powers and duties conferred on it by law, the Board of Directors shall have the following powers and duties:

- (a) To transact all Club business and make and amend rules for the regulation of the use of organization property. It may appoint and remove such officers, clerks, agents and servants and employees as it may deem necessary and may fix their duties and compensation.
- (b) Elect members to the organization.
- (c) Fix, impose and remit penalties for violations of these By-Laws and the Rules of the Club.
- (d) Constitute and appoint committees and define the power and duties of the committees.
- (e) Fill any vacancy in the Board to serve until the next annual meeting of the membership.
- (f) To borrow such money as it shall deem necessary for the proper construction, maintenance and operation of the Club facilities.

Section 2. The Board of Directors shall cause the books of this organization to be audited

when a majority vote is achieved through a ballot in which includes all members of the Board of Directors. Any member can request a Director's audit vote at any time of the year. Financial reports will be made available during all Director meetings and any member can request additional financial information during this meeting to be added to the next meeting's agenda.

Section 3. The Board of Directors shall annually elect from its own members the following officers of the organization: President, Vice-President, Secretary, Treasurer and such other officers or assistant officers as the Board shall deem appropriate. The Secretary or Treasurer need not be a member of the Board. Term limits of the executive officers will be no more than 3 consecutive years unless another board member does not accept responsibility. Previous officers may be elected at a later date.

Section 4. The President shall preside at the meeting of the Board and of members. The President shall be the administrative officer of the Club. The President shall be ex-officio, a member of all Committees.

Section 5. The Vice-President shall perform all the duties of the President in the absence of the President.

Section 6. The Secretary shall be sworn to the faithful performance of their duties. The Secretary shall attend all meetings of the Directors and members and keep a detailed record of all votes and business transacted to be kept, and shall have custody, but which shall be at all times open to inspection by any of the Board of Directors. The Secretary shall conduct the correspondence of the Club and shall give notice of all meetings of the membership and of the Board of Directors. The Secretary shall receive all requests for application for membership, and notify the Board of Directors of such applications. The Secretary will track memberships and keep the Board of Directors apprised of any issues relating to membership. The Secretary will track applications and departures in the same order in which received, so that the Board may base decisions accordingly. The Secretary shall perform other duties as assigned by the Board of Directors. The Secretary may be exempt from the regular annual dues with a majority vote of the Board of Directors. In case of absence or disability of the Secretary, the President may appoint a temporary Secretary.

Section 7. The Treasurer shall have general charge of the financial affairs of the Club, subject to the supervision and control of the Board of Directors, with authority in the name and on behalf of the Club, to collect all fees, dues, and other accounts due to the Club; to pay all bills on such approval as may be directed by the Board and to borrow money upon the vote of the Board and to execute and deliver the Club's notes or other evidence of indebtedness therefore; the Treasurer shall document and keep regular books of accounts of the Club whenever requested to do so by the Board and provide financial data each annual meeting. The Treasurer shall give bond for the faithful performance of their duties if the Board may so require in such form and in such sum and with such sureties as the Board may determine. The Treasurer shall have custody of all financial records and documents and seal of the Club, provided, however, that in the event a bond is required by the Board of the Treasurer, such bond shall be kept by the Secretary. The Treasurer may be exempt from the regular annual dues with a majority vote of the Board of

Directors. In case of absence or disability of the Treasurer, the Board may appoint a temporary Treasurer.

Section 8. Meetings of the Board of Directors.

(a) Regular meetings of the Board of Directors will be held each month at a time and place designated by the Board.

(b) Notice of Directors' meetings. Notice of all meetings of the Board of Directors shall be given to each member of the Board as hereinafter provided, except when notice is waived. Notices may be given orally, in writing, or posted through a social network at least forty-eight hours before the time of the meeting. Any meeting shall be legal without notice when five or more of the members are present or waive notice either before or after the meeting by a written note filed with the records of the meeting.

(c) Quorum. Five members of the Board shall be necessary at any meeting for a quorum for the transaction of business, but less than a quorum may vote to adjourn.

ARTICLE V: MEMBERSHIPS

Section 1. Memberships in this organization shall consist of the following types of classes:

(a) Senior Membership: This type shall consist of a single, family or special membership when one of the members attains the age of 62 and has had 20 years of continuous membership in good standing. Dues will be reduced to 50% of total membership costs as defined by the Board of Directors each year and the member will be posted to the Senior Membership roster.

(b) Family Membership: A family shall consist of a domestic group of people, typically affiliated by birth or marriage, or by analogous or comparable relationships --- including domestic partnership, cohabitation, or adoption. This type of membership shall consist of two adults and all children, under the age of twenty-two (22) years as of December 31 of each year living at the same permanent address. Other children from previous relationships not living at the same permanent address will be permitted access to the club facilities as guests of the members and will be charged the current price for daily guests.

(c) Single Membership: This type shall consist of one (1) person only and shall entitle on the named person to participate in the activities and use the facilities of the club.

(d) Special Membership: The Board of Directors shall have the power to create other classes of membership, as it shall deem advisable.

Section 2. Any member of this organization may withdraw at any time subject to the provisions of Article VI herein, however no dues shall be refunded upon such withdrawal.

Section 3. Any member of any class, or any individual included in any of the types of membership in which more than one person is included, may, for cause shown and after having been given the opportunity for a hearing before the Board, be suspended for a period established at the discretion of the Board, or if the Board sees fit, permanently, provided however, two-thirds of the members of the Board vote in favor of such suspension.

Section 4.

(a) All classes of memberships shall be accorded the facilities of the Club subject

to the rules and regulations for use adopted by the Board. These rules and regulations shall be posted at all times, conspicuously on the premises.

(b) The Board shall determine proof of membership requirements and the manager or other employees will enforce accordingly.

(c) The Board, as a whole and through a unanimous vote, may extend the privileges of the Club to any person or persons.

(d) The Board shall by rule, fix the term and conditions upon which guests of members may use the facilities of the Club.

(e) Any property of the Club broken or damaged by a member or their guest shall be promptly paid for by such member.

(f) This organization assumes no responsibility, and members or their guests can have no claim against the organization or its Board, officers or employees, for property of members or guests brought upon organization premises.

(g) No intoxicating beverages shall be sold or consumed on organization premises.

(h) This organization assumes no responsibility, and members or their guests can have no claim against the organization, its officers or employees, for any incident or injury to any person while on organization premises.

ARTICLE VI: DUES AND FEES

Section 1. The Board shall establish annual dues in such amounts as it shall deem advisable and necessary. Dues and income shall be sufficient for the necessary operating expenses of the Club and the proper maintenance, improvement of its property, future development and amortization of indebtedness. All dues shall be payable May 1st of each year. Late fees shall be determined by the Board.

Section 2. No dues nor part thereof shall be refunded in the event that Club facilities shall cease operation or be suspended for any reason.

Section 3. The Board shall be authorized to raise capital by selling stock in the Club to Members, said capital to be used for the construction of Club facilities. Any person who purchases a minimum of stock in the following amounts shall be considered eligible for election to membership and such purchase shall be a prerequisite to the full benefits of the club. A capital improvement fee may also be added if approved by the Board of Directors.

Family Membership --- \$240.00

Single Membership ---- \$120.00

Special Membership as the Board shall determine.

The organization shall issue to said stockholder a stock certificate which shall be nontransferable, non-interest bearing, nonassessable and which shall be paid at such times and in such amounts (subject to the following sections) as the Board shall determine.

Section 4. Except for payment as hereafter provided, each stock certificate shall become null and void upon the date that the holder thereof ceases to be a member for any cause. The time and manner in which the holder shall be paid the value of stock shall be determined by the Board, provided however, that each stock certificate shall be redeemed in the chronological order in which the memberships terminate, and not before payment of the membership is received from a

new member replacing the retired member. The Board will determine a target membership number to sustain a balanced budget to assist in determining the timeframe for payback of stock.

Section 5. In the event of the dissolution of the organization in any manner or for any cause, and in no other event, stock certificates shall be a lien upon the proceeds of the sale of the property of the organization after the payment of all its just debts and obligations, to the extent of the paid value of the stock, subject to set off of all debts, dues and obligations owed by the holder to the organization. Surplus funds are prohibited for private inurement to any person in the event of a sale or dissolution of Middletown Swim Club.

Section 6. Any member failing to pay dues or indebtedness before June 15th shall be sent a notification by the Treasurer stating if such indebtedness is not paid within fifteen days thereafter, the delinquent may be suspended by the Board. Any persons suspended shall immediately be notified in writing by the Secretary of such suspension, and if the indebtedness is not paid within fifteen days after sending the notice, the membership shall cease (see Section 8 of this article below). The Directors may reinstate any member upon request and repayment of all indebtedness to the Club.

Section 7. Upon cessation of membership for any cause, all indebtedness to the Club by the member shall be a lien upon and charged against the stock certificate, including not paying annual dues without a proper termination notice, and the stock will be taken over by the Club to satisfy such indebtedness. Proper termination notice is due in writing or trackable format on or before May 1st each year. In the event the Club is unable to obtain possession of the stock, it will be cancelled on the books of the Club. In case of the enforcement of a lien, as above provided, neither the signature of the holder nor the delivery of the stock shall be requisite to perfect the transfer to the Club.

Section 8. Members shall be responsible for payment of all charges or liabilities that may be imposed upon or incurred by members of their family, and for all charges and liabilities imposed upon or incurred by guests introduced by them.

Section 9. All fees and other charges mentioned herein are exclusive of taxes imposed by Federal, State and other agencies; any required taxes shall be paid by the individual member.

ARTICLE VII: MEETINGS

Section 1. The annual meeting of the membership of the Club shall be held during the month of January in each year, at such time and place as the Board shall determine. The annual meeting shall be for the purpose of electing Directors, presenting committee reports, and the transaction of such other business as may be brought before it.

Section 2. Notice of meetings shall be given in a cost effective manner as determined by the Board (regular mail will be used as a last resort and only upon request to the Secretary when electronic means are unavailable), at least ten (10) days prior thereto. The notice of the annual meeting shall include the names of candidates nominated by the Nominating Committee. Special

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meetings of the Club may be held on ten (10) days notice to all members. The notice shall state the purpose for which the special meeting is called.

Section 3. Twenty (20) members in good standing, present in person, shall constitute a quorum at all membership meetings.

Section 4. Whenever by these By-Laws notice to members is required, described notice as provided in Section 2 above shall suffice.

ARTICLE VIII: NOMINATIONS

Section 1. Not less than sixty (60) days prior to the annual meeting of members, the President shall appoint a Nominating Committee composed of not less than five (5) members in good standing, who shall not be members of the board, Officers, or employees of the corporation. The Nominating Committee shall nominate the candidates for the vacancies in the Board, and shall submit all nominations that attain a majority vote from the Nominating Committee. The Nominating Committee should ensure each vacancy is competitive whenever possible and shall report their nominations to the President not less than twenty (20) days prior to the annual meeting.

Section 2. Nominations may be made from the floor for the annual meeting, however any nomination made in such manner shall not be valid unless it receives at least two seconds to the nomination.

ARTICLE IX: MISCELLANEOUS

Section 1. Each person who acts as Director, Officer or employee of the club shall be indemnified by the Club against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of his being or having been a Director, Officer, or employee, except in relation to matters as to which he shall be adjudge in such action, suit or proceeding to be liable for gross negligence or willful misconduct, and except any sum paid for the Club in settlement of an action, suit or proceeding based on gross negligence or willful misconduct in the performance of duties. The right to indemnification provided herein shall apply to each Director, Officer or employee, whether or not said Officer or Director is such at the time such costs or expenses are imposed or incurred, and shall extend to the Officer's/Director's legal representative in the event of death.

Section 2. Any question as to the meaning or proper interpretation of any of the provisions of these By-Laws shall be determined by the Board, whose decision in such matters shall be final.

Section 3. Roberts Rules of Procedure shall govern the procedure to be followed at all meetings of this organization.

Section 4. These By-Laws may be amended by a 2/3 vote of the members in good standing,

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present in person at any meeting at which ten (10) days' notice of the amendment has been given to all members.