

KARAKUNG SWIM CLUB

BY-LAWS

ARTICLE I

The Board of Governors

SECTION 1:

The Board of Governors shall consist of fifteen (15) Governors elected as in the following section of this Article.

SECTION 2:

Five (5) Governors shall be elected at each annual meeting and they shall serve terms of three (3) years, or until their successors have been elected.

SECTION 3:

Only Active Members who have been members of the club for at least one (1) year shall be eligible to serve as members of the Board of Governors. Governors must be of legal age, residents in good standing with permanent residence in Haverford Township, Delaware County, PA, and must not hold a Township or County elected office.

SECTION 4:

Elections of the Board of Governors shall be carried out by the Nominating Committee in accordance with the procedures set forth in Article III, Section 8.

SECTION 5:

The Board of Governors may vote an appropriate annual stipend to officers or committee chairs commensurate with work activities performed.

SECTION 6:

Meetings of the Board of Governors shall be held at such time and place as the majority of the Governors may from time to time appoint, or as may be designated in the notice calling the meeting. The Board of Governors shall hold regular monthly meetings.

SECTION 7:

Written and/or electronic notice of every regular meeting of the Board of Governors shall be given to each member of the Board of Governors at least five (5) days prior to the day named for the meeting. The President may also call special meetings with only one (1) day's notice through the same means.

SECTION 8:

- (a) A majority of the Board of Governors in office shall be necessary to constitute a quorum for the transaction of business, and the acts of the majority of the Governors present at a meeting at which a quorum is present shall be the acts of the Board of Governors, provided that if all the Governors consent in writing to any action to be taken by the Club, such action shall be as valid as though it had been authorized at a meeting of the Board of Governors.
- (b) The Governors present at a duly organized meeting can continue to do business until adjournment notwithstanding the withdrawal of enough Governors to leave less than a quorum. The Board of Governors may conduct business with less than a quorum but may not make decisions regarding policies of the Club.

SECTION 9:

Vacancies on the Board of Governors shall be filled by a replacement elected by the majority of the remaining members of the Board, and each person so elected shall be a governor for the remainder of the unexpired term.

SECTION 10:

The Board of Governors may declare vacant the office of Governors or Officer if they be declared of unsound mind by an order, or convicted of a crime or felony, or being absent for three (3) meetings in any twelve (12) month period without due excuse, or for any other proper cause, or if within sixty (60) days after notice of their election they do not accept such office either in writing or by attending a meeting of the Board of Governors, provided, however, when such action be contemplated, the offending Governor shall be given ten (10) days' advance notice in writing of the meeting at which such action is contemplated.

SECTION 11:

Meetings of the Board of Governors shall be presided over by the President. In the absence of the President the Executive Vice President shall preside. If neither the President nor the Executive Vice President is present, the First Vice President shall preside and if neither the President or the Executive Vice

President or First Vice President is present, the Governors present shall elect a presiding officer for such meeting. The Recording Secretary, or, in their absence, a Governor appointed by the presiding officer, shall record minutes of all meetings of the Board of Governors.

SECTION 12:

The Board of Governors shall have the power to make or authorize all purchases necessary or desirable for the operation of the Club and to employ, or authorize employment of, all employees of the Club and to fix compensation of employees, and to do or cause to be done all other things necessary for the operation and maintenance of the Club.

SECTION 13:

The Board of Governors shall prescribe rules for the government and use of all club facilities and perform such other duties as they in their discretion, may deem to be for the best interest of the Corporation; provided, however that they shall not alienate or mortgage any of the real property of the Corporation in excess of forty (40) percent of the combined value of the real property and improvements to be erected there on without the authority of the active membership given by majority vote of those voting at an Annual Meeting or a Special Meeting. None of the above provisions shall apply to any mortgage or other indebtedness deemed necessary by the Board of Governors to be incurred for the purpose of the initial purchase of land and initial construction of the swim pool and facilities.

SECTION 14:

The Board of Governors shall submit to the active members at each Annual Meeting a report showing the state of membership and finances setting forth the transactions of the previous year. A copy of this report shall be available to every active member of the Club.

SECTION 15:

The Board of Governors shall have supervision over all committees and power to direct their efforts and to alter or amend any rules or regulations prescribed by any committee.

SECTION 16:

The Board of Governors shall secure the fidelity of the Treasurer of the Club and may secure the fidelity of any or all other officers, assistant officers, or employees by bond or otherwise and in such amount as shall be deemed proper.

SECTION 17:

The Board of Governors shall require an audit to be made of the accounts of the Corporation for each year. The audit report shall be submitted at the Annual Meeting of the active membership. Such annual audits may be made by an Auditing Committee appointed from the active membership or by independent accountants engaged for that purpose if the Board of Governors deems such action advisable.

SECTION 18:

Governors and Officers of the Corporation shall be indemnified by the Corporation against the expenses reasonably incurred by them and/or damages imposed upon them in connection with the defense of or as the result of any action legally taken or alleged to have been taken by them as a Governor or Officer of the Corporation. This indemnification shall not be effective in the case of any action or omission of any action as to which they shall be liable under the provision of any federal or state statute.

SECTION 19:

No Governor of the Corporation shall be personally liable for monetary damages for any action taken, or any failure to take any action, unless such action or inaction constitutes both:

- (a) A breach of or failure to perform the fiduciary duties of their office as set forth in Section 8363 of the Pennsylvania Directors' Liability Act (42 Pa. C.S.A: Sec. 8361 et seq.) as amended and supplemented, and
- (b) Such breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

The provisions of this section shall not apply to either:

- (a) The responsibility or liability of a Governor pursuant to any criminal statute, or
- (b) The liability of a Governor for the payment of taxes pursuant to local, state or federal law.

SECTION 20:

The Board of Governors shall secure for the protection of the Club, its agents and employees' public liability and property damage insurance and other forms

as may be deemed necessary to fully cover complete operations of the Corporation.

ARTICLE II

The Officers

SECTION 1:

The Officers of the Board shall consist of a President, an Executive Vice-President, a First Vice President, a Recording Secretary, and a Treasurer. No officer may hold more than one office at a time.

SECTION 2:

Officers shall be elected by and from the Board of Governors at the first regular meeting following the Annual Meeting of the Corporation and shall serve for a term of one (1) year or until their successors are elected and have qualified. Governors only shall be eligible to serve as Officers of the Club.

SECTION 3:

The Governors shall fill any vacancy among the Officers, and such appointed Officers shall serve until the newly constituted board meets.

SECTION 4:

- (a) The President shall preside at all meetings of the Board of Governors and membership; and shall in conjunction with the Recording Secretary sign all contracts and papers relating to the affairs of the Club; make all appointments to committees subject to confirmation by the Board of Governors, and shall be an ex-officio member of all committees, and shall perform all other acts properly belonging to the office, including executive supervision of all activities of the Club and of the employees thereof.
- (b) The President may authorize expenditures and payment for current operating supplies and equipment and fixed assets without further approval of the Board of Governors, if the funds authorized to be expended have already been included in a budget approved by the Board of Governors, provided that all bills for such expenditures shall be presented to the Board of Governors at the next regular meeting.
- (c) The President may serve a one-year term as ex-officio officer following their last year as President.

SECTION 5:

The Executive Vice President shall assume the full responsibilities, duties and obligations of the President during the absence of the President. Under the direction of the President, the Executive Vice President shall attend to the business and financial operations of the Club and shall be Chairman of the Finance Committee. They shall be an ex-officio member of all committees.

SECTION 6:

The First Vice President shall assume the full responsibilities, duties and obligations of the President during the absence of the President and Executive Vice President. The First Vice President shall under the direction of the President attend to the operation and maintenance of the physical plant and properties of the Club and shall be Chairman of the Pools and Grounds Committee.

SECTION 7:

- (a) The Recording Secretary shall make and keep minutes of all meetings of the Board of Governors, and of the meetings of the active members and shall be prepared to present these minutes at the next or at future meetings, if required.
- (b) The Recording Secretary shall attest the signature of the Officers of the Club when required on contracts or other papers relating to the affairs of the Corporation, and shall have custody of the Corporate Seal.
- (c) The Recording Secretary shall conduct all the official correspondence and keep a correspondence file.
- (d) The Recording Secretary shall issue calls for meetings with the proper notice at the request of the person or persons authorized to call meetings.

SECTION 8:

- (a) The Treasurer shall maintain a record of all financial transactions of the Club and be prepared to render an accounting at any meeting of the membership or Board of Governors as may be requested.
- (b) The Treasurer shall be responsible for the receipt of all monies due the Club and deposit of same in banking institutions approved by the Governors.
- (c) The Treasurer is authorized to pay any charges imposed by designated banking institution for service if the treasurer deems such charges proper.
- (d) The Treasurer shall sign all checks and make all disbursements on approved billings and vouchers. All checks in excess of \$500.00 are to be countersigned by one other officer, either the President, or the Executive Vice President.

- (e) When authorized by the President, the Treasurer may advance up to five hundred dollars (\$500.00) to any Officer, Governor or Committee Chairman who is required to make purchases on behalf of the Corporation in cash. In each instance, the Treasurer shall require receipts or other form of verification of purchase from the person receiving such cash.

SECTION 9:

All Officers and Agents of the Club as between themselves and the Club shall respectively have such authority and perform such duties in the management of the property and affairs of the Club as may be determined by resolution of the Board of Governors.

ARTICLE III

Standing Committees

SECTION 1:

The Standing Committees of the Club are appointed by the President with the approval of the Board of Governors.

SECTION 2:

- (a) A Governor shall act as Chairman of each Standing Committee.
- (b) The duties and powers assigned in these By-Laws to the Standing Committees shall be subject to the authority of the Board of Governors.

SECTION 3:

The Pools and Grounds Committee shall exercise supervision over the Pools and Grounds; shall attend to the improvement and maintenance of the pools, buildings, operating equipment and grounds; shall have authority there over. The Rules Committee, in conjunction with the Pools and Grounds Committee shall see that the Rules and Regulations of the Club are enforced.

SECTION 4:

The Program Committee shall prepare the program of instruction and entertainment; and exercise supervision over the same.

SECTION 5:

- (a) The Membership Committee in accordance with Article IV, Section 7 of the By-Laws, shall investigate and report to the Board of Governors upon the desirability of applicants for membership.
- (b) The Membership Committee shall maintain a membership record containing the names and addresses of each member, and in any case where membership has been terminated, the facts as to the reason for termination shall be recorded in the records together with the date on which membership ceased.
- (c) The Membership Committee shall issue certificates to fully paid bondholders as evidence of ownership.
- (d) The Membership Committee is charged with the responsibility for issuance of the membership cards of the Club and maintenance of records of persons to whom such cards have been issued.
- (e) The Membership Committee shall issue membership cards and maintain the membership records, including the waiting list and former members list.

SECTION 6:

The Finance Committee shall prepare the annual budget for submission to and approval by the Board of Governors, and shall exercise general supervision over the financial transactions of the Club.

SECTION 7:

The Rules Committee shall prepare rules and regulations of health and good conduct in connection with the operation of the Pool and shall, in conjunction with the Pool and Grounds Committee, see that the Rules and Regulations of the Club are enforced.

SECTION 8:

The Nominating Committee, in accordance with Article I, Section 4 of the By-Laws, shall be responsible for the vote regarding nominees for the Board of Governors. Nominations for the Board of Governors shall be made by the Nominating Committee at least sixty (60) days prior to the Annual Meeting. At least forty-five (45) days prior to the Annual Meeting, notices of the nominees shall be sent to the active membership through written and/or electronic means. Such notice shall state the names and brief biographical information for each of the nominees and shall include reference thereto if any nominee is an incumbent. Voting by the active membership shall be through return mail and/or electronic means at the discretion of the Nominating Committee. The Nominating Committee shall count all votes returned prior to the Annual Meeting and report the results at the Annual Meeting.

SECTION 9:

The Snack Bar Committee, will complete negotiations to manage the snack bar with an independent contractor; oversee snack bar operations and communications with the snack bar management and; emphasize cleanliness and safety in the snack bar area.

SECTION 10:

The Special K/Communications Committee will prepare a bimonthly newsletter beginning with the opening weekend of the Swim Club in May (the "Special K"). They will solicit and review articles from committees for inclusion in the newsletter. Copies of the Special K shall be made available to members at the Club and be posted on the Club's website. This Committee shall also be responsible for updating and maintaining the Club's website.

SECTION 11:

The Swim Team Committee will recruit, interview and hire coaches for the swimming and diving teams; develop the swim team registration fee schedule; attend Delco League meetings; organize home swim meets, swim team awards and banquet; provide guidance to the Mini-Meet Committee.

SECTION 12:

The Personnel Committee will recruit, interview and hire staff for the coming season; develop staff salary structure; work with pool management to provide safe operations of the Swim Club; verify the credentials and paperwork of staff members; make sure staff are trained on emergency and first aid procedures; review personnel expenses on a regular basis with the pool manager during the season.

ARTICLE IV

Members

SECTION 1: MEMBERSHIP:

Membership in this Club shall consist of the following classes of members:

- (a) Active Member which shall be the designation of the household holding an active Bond and shall consist of the following sub-classes: (i) First Active; (ii) Second Active; (iii) Junior; and (iv) Associate
- (b) Senior Citizen
- (c) Special Member

SECTION 2: ACTIVE MEMBER:

- (a) First Active -- The voting member of the Active Member household
- (b) Second Active – The next senior member of the Active Member household
- (c) Junior Member – Dependent child of First or Second Active under twenty-one (21) years of age
- (d) Associate Member – Unmarried child twenty-one (21) years of age or older whose primary residence is the household of an Active Member

SECTION 3: SENIOR CITIZEN

Any existing and current bondholder may apply for the Senior Citizen membership classification subject to the following guidelines:

- The applicant is at age 62 or older prior to the close of the current Club season;
- Senior status is applicable to the current bondholder and spouse or partner, provided that both individuals are 62 or older and reside at the same residence;
- The bondholder relinquishes bond, along with all voting rights, to the Board of Governors for re-issuance;
- Senior status is limited to membership of two individuals per membership and cannot include any other membership classification unless approved by the Board of Governors;
- Senior member retains all other member privileges.

All Senior Citizen classifications applications must be reviewed and approved by the Board of Governors upon recommendation by the Membership Committee.

SECTION 4: SPECIAL MEMBER

A person whose primary residence is in the household of an Active Member may qualify for Special Membership. In addition, a person who serves as a child care provider for an Active Member may also qualify for Special Membership. In order to be considered for Special Membership, the Active Member seeking such membership shall complete and submit an Application for Special Membership to the Board. The Board shall consider each Application for Special Membership at the next regularly scheduled Board meeting after the submission of the Application and vote whether to approve the Application.

SECTION 5: MEMBERSHIP APPLICATION:

- (a) The Board of Governors, at the first meeting of the Board after each Annual Meeting of the Club, shall appoint a Membership Committee for the ensuing year. It shall be the duty of this Committee to meet from time

to time to consider applications for membership in the Club and to recommend to the Board suitable applicants.

- (b) The Board of Governors shall vote upon the admission to the Club of each applicant recommended by the Membership Committee at their first meeting after receiving such recommendation, and shall confer membership only upon those applicants who shall be approved by two-thirds (2/3) of the members of the Board present. If requested by any Board member present, the vote of the Board shall be by ballot.

SECTION 6: MEMBERSHIP WITHDRAWAL:

Any member of the Club may withdraw at any time subject to the provisions of Article III, Section 7 of the Constitution and the following paragraphs.

- (a) Refund of dues to the withdrawing member shall be:
 - 1. A refund of one-half (1/2) of the members dues if withdrawal is during the first half of the season; a season is determined as fourteen (14) weeks from the opening day of the pool.
 - 2. No refund of dues if withdrawal is during the last half of the season.
- (b) Dues paid by a new member who is replacing a withdrawn member during the season shall be;
 - 1. Pro-rated on the remaining weeks of the season, based on the following formula:
$$\frac{X \text{ (No. of Weeks Remaining)}}{14 \text{ (No. of weeks in season)}} \times X \text{ (Normal Membership Dues)}$$
- (c) Any member withdrawing after February 28 shall receive back the proceeds of his bond less a service charge in the sum of twenty-five dollars (\$25.00). After March 31st a service charge of twenty-five dollars (\$25.00) will apply, to a total of fifty dollars (\$50.00).

SECTION 7: SUSPENSION AND EXPULSION OF MEMBERS:

- (a) The Board of Governors may delegate to the Rules Committee the power to suspend pool privileges for the violation of Club Rules and Regulations provided such suspension does not exceed thirty (30) days. The Rules Committee may delegate to the Pool Manager the power to suspend pool privileges for the violation of Club Rules and Regulations provided such suspension does not exceed seven (7) days. A written report of all such suspensions, containing reasons therefore, shall be submitted to the President within twenty-four (24) hours.

- (b) Any member of any class may, for cause and after having been given an opportunity for a hearing, be suspended for a period of not exceeding three months by a two-thirds (2/3) vote of the members of the Board of Governors present at any meeting thereof, or expelled by a three-fourths (3/4) vote of the entire membership of the Board. Cause of suspension, or expulsion shall, in general, consist of violation of these By-Laws or of the Rules of the Club.

SECTION 8: MEMBER AND GUEST PRIVILEGES AND LIMITS:

- (a) All classes of members of the Club shall be accorded the facilities of the Club subject to the Rules and Regulations which shall be distributed to each member and available in the Pool Manager's office.
- (b) The Board of Governors at its discretion may extend the privileges of the Club to any person or persons.
- (c) The Board of Governors extends the privileges of the Club to those chartered members of the Original Board of Governors even after their membership in the Club is relinquished. These chartered members are identified as gold cardholders.
- (d) The Board of Governors shall by rule fix the terms 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 of any class, or his guest, shall be promptly paid for by such member. No person shall take any article belonging to the Club.
- (f) The Club assumes no responsibility, and members (of any class) or their guests can have no claim against the Club for the property of members of any class or any guests which may have brought into or left in the Club buildings or on the grounds.
- (g) No intoxicating liquor shall be brought on to the Club grounds, except at such times as designated by the Board of Governors.
- (h) The Club assumes no responsibility and members (of any class) or their guests can have no claim against the Club, for any accident or injury to any person or their property.
- (i) The Board of Governors may suspend or expel in accordance with Article IV, Section 9 of the By-Laws any member who presents, asserts or files any claim, suit, cause of action, or judgment against the Club arising from personal injury, property damage matter, or any other circumstance. Members may also be suspended or expelled if their guest(s) file any claim, suit, cause of action, or judgment against the Club arising from personal injury, property damage matter, or any other circumstance.

SECTION 9: REELECTION OF MEMBERS:

The Board of Governors, at its discretion, may reelect to membership a member who has resigned (subject to the membership limitation as set forth in Article III,

Section 1, Constitution) without payment of the registration fee provided such former member was in good standing at the time of resignation.

SECTION 10: RESIDENCE REQUIREMENT:

Not less than one hundred (100) percent of the membership shall be residents of Haverford Township at the time of application and election to Membership. Subject to the provisions below, members who move out of Haverford Township must immediately notify the Membership Committee, resign as members, and return their bond for a refund. Bondholders who have been members for 5 years or more in good standing and move out of Haverford Township after Labor Day, 2004 but wish to keep their bond must immediately notify the Membership Committee and request in writing to retain their status as Bondholders ("Non-resident Bondholders"). Such request shall be considered by the Board at the next regularly scheduled meeting, and such request (which shall be presented to the Board in the order in which they were received by the Membership Committee) shall not be unreasonably denied, subject to the limitation that there shall not be at any time more than fifteen (15) Non-resident Bondholders. An additional fee of \$100.00 per year will be assessed to Non-resident Bondholders.

ARTICLE V

Dues and Fees

SECTION 1: ESTABLISHING DUES:

- (a) The Board of Governors, at its first meeting after the Annual Meeting of the members shall establish dues for each class of membership for the ensuing year.
- (b) Dues shall be sufficient to provide for the necessary operating expenses of the Club - and the proper maintenance and improvement of its property, and such dues shall be payable by March 31st of each year.

SECTION 2: REGISTRATION FEE:

All Candidates for membership in the Club shall be required to pay a registration fee as set forth by the Board of Governors.

SECTION 3: LATE CHARGES:

- (a) A late charge, determined by the Board of Governors, shall be levied on all members failing to pay their dues by March 31st. All members who are delinquent shall be notified in writing that they are in default and that their annual dues and the late charge are due by April 15th. This writing shall further inform the member that failure to submit their annual dues and late

charge will result in the suspension of membership privileges and the sale of the member's bond.

- (b) An additional late charge, determined by the Board of Governors, shall be levied on all members failing to pay their annual dues and initial late charge by April 15th. All members who are delinquent as of April 15th shall be notified in writing that they are in default, that their membership privileges shall be suspended effective April 25th, that their bond will be sold and that the proceeds from the sale of their bond, minus fifty (\$50.00) dollars, will be returned to the member within thirty days. This notice shall be sent via certified mail with a return receipt requested.

ARTICLE VI

Meeting of Members

SECTION 1:

The Annual Meeting of the Corporation shall be held in October of each year.

SECTION 2:

Special meetings of the members may be called at any time by the President or the Board of Governors, or by the membership-at-large under Article V, Section 1 of the Constitution.

SECTION 3:

Meetings of members and of the Board shall be held at such a place or places in Haverford Township, Delaware County PA, as the President of the Board of Governors may designate in the call for the meeting.

SECTION 4:

Notice of the Annual Meeting shall be given to members by posting of the date and time of said meeting on the Club's premises prior to the end of the season and by posting the date and time of said meeting on the Club's website. Notice of a Special Meeting called by members shall be posted on the Club's website.

SECTION 5:

When a meeting is adjourned with the intent of reconvening within five (5) days it shall not be necessary to give any notice of the adjourned meeting or business to be transacted other than by announcement at the meeting at which such adjournment is taken.

SECTION 6:

The qualifications for voting at any meeting shall be set forth in the Constitution.

SECTION 7:

Quorum at any annual meeting of the Club shall consist of twenty (20) of such members entitled to vote at the meeting, provided that all active members of the Club have been notified as prescribed in Section 4 of this Article.

SECTION 8:

The active members entitled to vote present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough active members entitled to vote to leave less than a quorum.

SECTION 9:

A duly called meeting shall not be organized for transaction of business unless a quorum is present.

SECTION 10:

If the meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided in these articles, adjourn the meeting to such time and place as they may determine; but in the case of any meeting called for the election of Governors, those who attend the second of such adjourned meeting, although less than a quorum as fixed in this Article, shall never-the-less constitute a quorum for the purpose of electing Governors.

SECTION 11:

The Annual Meeting or any special meeting called for the election of Governors may only be adjourned from day to day until such Governors have been elected.

SECTION 12:

Upon request of an Active Member, the books or records of membership shall be produced at any general or special meeting of the Club.

SECTION 13:

If at any meeting the right of any person to vote be challenged, the presiding officer shall require the books or records of the Club to be produced as evidence of the right of the person challenged to vote, and all persons who appear by such books or records to be active members may vote.

ARTICLE VII

Fiscal Year

SECTION 1:

The fiscal year of this organization shall begin on October 1st and end on September 30th.

ARTICLE VIII

Notice

SECTION 1:

To the extent any provision of these bylaws requires notice to be given in writing, such notice shall be sufficient is provided through mail or electronic means. At the discretion of the Board, notice and information intended to be communicated to the membership at-large may be deemed sufficient if the required information is posted on the Club's website and/or on the premises of the Club.

ARTICLE IX

Amendments

SECTION 1:

By-Laws of the Corporation may be adopted, amended, or repealed by a majority vote of the members of the Board of Governors.

SECTION 2:

The members entitled to vote shall have the privilege to change or repeal By-Laws by a two thirds (2/3) vote of the members entitled to vote present at a duly organized meeting.

SECTION 3:

The Rules Committee must review the Constitution, By-Laws, and Rules and Regulations of the Corporation every three (3) years. The Rules Committee must make its recommendation in writing to the Board of Governors for its approval.