

CONSTITUTION
AND
BY-LAWS

LINCOLN PARK
SWIMMING ASSOCIATION

CONSTITUTION

ARTICLE I

LINCOLN PARK SWIMMING ASSOCIATION (the "Corporation") is a non-profit, non-stock corporation organized and existing under the laws of the Commonwealth of Pennsylvania. The purposes of the Corporation shall be: (1) to acquire, establish and maintain a swimming pool in Berks County, Pennsylvania; (2) to erect and maintain such other facilities as required to furnish refreshments, entertaining and social diversion for the benefit of the members of the Corporation ("Members"); and to possess and enjoy any other rights, benefits, and privileges available to a nonprofit corporation under the Pennsylvania Nonprofit Corporation Act of 1988, as amended. The Corporation is an association that does not contemplate pecuniary gain or profit, incidental or otherwise, to the Members.

ARTICLE II

1. Subject to the membership requirements contained in this Constitution and the By-Laws of the Corporation, the rules, initiation fee, dues for membership in the Corporation and any other charges or assessments shall be set, from time to time, by the Board of Directors of the Corporation (the "Board").

Admission to membership shall require the payment of an initiation fee. Such one-time fee is payable upon admission as a Member to the Corporation is exclusive of annual dues and other charges and assessments as may be set by the Board and payable from time to time. Upon the effective date of this Constitution, all current Members of the Corporation who purchased stock in the Corporation prior 3/1/2011 to its conversion to a nonstock corporation shall be deemed to have paid the initiation fee in the amount of Two Hundred Fifty Dollars (\$250.00).

Members who purchased stock prior to 3/1/2011 have the right to request a refund upon withdrawal from membership. The refund of a withdrawing Member's initiation fee shall be subject to the receipt by the Board of a written notice of withdrawal (the "Withdrawal Notice") from such withdrawing Member. For any given fiscal year, such Withdrawal Notice must be received by the Board prior to the date which the Board has determined as the date by which the annual dues payable by the Members must be received by the Corporation, after which a late payment penalty is imposed (the "Dues Deadline"). Failure to transmit the Withdrawal Notice to the Board prior to the Dues Deadline will result in a deduction of the then-applicable annual dues from the refund to the withdrawing Member of the initiation fee.

The refund of a withdrawing Member's initiation fee is further subject to a prior determination by the Board that, at the time of withdrawal of a Member, the membership in the Corporation is at a satisfactory level to sustain operations of the Corporation and that sufficient cash reserves exist or are estimated to exist at the end of the Corporation's then-applicable fiscal year to sustain operations and to pay such a refund. In the event the Board determines that pool membership and cash reserves are satisfactory in any given fiscal year, Initiation Fee(s) shall be refunded to withdrawing

Members in order of their respective dates of notification to the Board of their intention to withdraw, but only so long as and to the extent that sufficient cash reserves are available.

2. The Corporation, through the Board, may revoke the Membership Interest of any Member who fails to comply with lawful and reasonable rules, regulations and requirements duly enacted or adopted by the Corporation or who has otherwise acted so as to give cause for revocation of membership. No Membership Interest shall be revoked except upon ten (10) days notice to the Member(s) concerned to attend a hearing before the Board.

3. Members shall be responsible for the payment of all charges or liabilities that may be imposed upon or incurred by Members or their families to whom privileges of the Corporation shall have been extended, and for all charges and liabilities imposed upon or incurred by guests introduced by them. The Corporation shall be under no obligation to extend any privileges of membership in the Corporation until such charges or liabilities have been paid in full.

4. The membership of the Corporation shall consist of not more than 500 Membership Interests. Additional Members may be accepted, if practical, into the Corporation, if authorized by the same vote of the membership as required to amend the Constitution.

ARTICLE III

1. Each Membership Interest entitles the holder or holders thereof to cast only one (1) vote at any meeting of the Members for any matters, provided such Membership Interest is in good standing with the Corporation.

2. Those entitled to vote shall cast their votes in person, or otherwise as stipulated by the Board, but there shall be no voting by proxy.

ARTICLE IV

1. The management of the Corporation shall be vested in the Board which shall direct the investment and care of the funds and property of the Corporation; make appropriations for specific purposes; act upon applications for Membership; appoint employees and officers; create committees and appoint committee members; fill vacancies in office and in the Board; and generally conduct the Corporation's business in accordance with this Constitution, the By-Laws and the laws of the Commonwealth of Pennsylvania.

2. The Board of Directors shall consist of a max of seventeen (17) members and a minimum of 11. Director's terms shall be staggered in a three (3) year cycle such that six (6) Directors shall be elected or reelected in Year 1, six (6) Directors shall be elected in Year 2, and five (5) Directors shall be elected or reelected in Year 3. At the semi-annual Membership meeting to be held in any one of the designated fall or winter

months, as designated by the Board from time to time for the purpose (the "Post-Summer Members Meeting"), the Members in good standing shall elect those members of the Board of Directors to replace those Directors whose term shall have expired. Directors shall serve for a period of three (3) years. Directors may serve successive terms without limit.

3. The President of the Corporation, at least thirty (30) days before the Post-Summer Members Meeting, shall appoint a nominating committee ("Nominating Committee") of three (3) voting members in good standing, who shall nominate the required number of members in good standing for the available offices of Director, and submit such nomination to the Members at the Post-Summer Members Meeting. Nominations may also be made from the floor at the Post Summer Members Meeting.

4. Vacancies in the Board shall be filled by a vote of a majority of the remaining Directors, and each person so elected shall serve until the next annual meeting, whereupon the Members shall elect a successor to serve the unexpired term of the vacant Directorship.

ARTICLE V

1. The funds necessary for the conduct and management of the Corporation shall be raised by such membership fees and dues as shall be prescribed by the Board, by fines and penalties imposed for violations of rules and regulations; by donations, gifts and voluntary contributions; by the proceeds from the sale of refreshments, of amusements, and entertainment given or held by the Members; by the proceeds from real and personal property of the Corporation; and by such other special assessments, repair assessments or other charges which may be imposed from time to time by the Board as necessary or desirable for the operation of the Corporation and its facilities.

ARTICLE VI

1. Amendments to the Constitution may be made by a majority of the voting Members present at any regular meeting of the Corporation or at any special meeting called for that purpose; provided, however, that at least ten (10) days written notice of such amendment shall have been given by mail to each Member entitled to vote, setting forth the Article to be amended and the proposed amendment.

BY-LAWS

ARTICLE I Directors

1. The Board shall hold regular meetings on the first Sunday of each month and/or at such other times as the Board deems necessary.

2. Nine of the Directors in office shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board; provided, that if a majority of all of the Directors shall consent in writing to any action, such action shall be valid as though it had been authorized at a meeting of the Board.

3. A Director may be removed from office for cause, by a vote of two-thirds of the Board, after ten (10) days prior written notice to the Director concerned to attend a hearing before the Board.

4. The President, or in his absence, the Vice-President, shall preside at all meetings of the Board. In the absence of both, the Directors shall elect a chairman of the meeting.

5. The Board shall:

(a) Make or authorize all purchases and disbursements necessary or desirable for the operation of the Corporation;

(b) Fix the classification and salary schedule of employees and authorize their employment;

(c) Prescribe rules and regulations for the government and use of the Corporation's facilities;

(d) Prepare an annual report showing the state of the Corporation;

(e) Supervise all committees, with power to direct their activities and to alter or amend any rules or regulations prescribed by any committee;

(f) Adopt an annual budget for the operation of the activities of the Corporation for each fiscal year;

(g) Fix membership dues, guest fees, assessments and special assessments and all other fees, late fees and other charges necessary or desirable in the Board's sole discretion for the operation of the Corporation and its facilities;

(h) Do or cause to be done all other things necessary for the operation and maintenance of the Corporation; and

(i) Appoint a manager who shall have the responsibility for the operation of the pool, and who shall be directly responsible to the Board as a whole. No order or directive shall be recognized by the manager unless made by the entire Board.

6. The Board shall secure for the protection of the Corporation such public liability, property damage, and other forms of insurance as they may deem necessary.

The Corporation shall indemnify any individual who is, was or is threatened to be made a party to a proceeding (including a proceeding by or in the right of the Corporation) because he is or was a Member, employee, Director, or Officer of the Corporation or because he is or was serving the Corporation or any other legal entity in any capacity at the request of the Corporation while a Member, employee, Director, or Officer of the Corporation, arising out of any event, act, omission, transaction, occurrence, conduct or course of conduct undertaken in his capacity as such, against all liabilities and reasonable expenses incurred in the proceeding, except such liabilities and expenses as are incurred because of his or her (a) willful misconduct, (b) gross negligence or reckless dereliction in the performance of his or her duties, or (c) knowing violation of the criminal law. The determination whether indemnification of any Member, Director, employee, or Officer under this Paragraph is permissible and the evaluation as to the reasonableness of expenses in a specific case shall be made pursuant to the procedures set forth under Pennsylvania law, as in effect on the effective date of this Paragraph; provided, however, that if a majority of the Directors of the Corporation has changed after the date of any of the alleged events, acts, omissions, transactions, occurrences, conduct or courses of conduct giving rise to a claim for indemnification, such determination and evaluation shall, at the option of the person claiming indemnification, be made by specific legal counsel agreed upon by the Board and such person. Unless a determination has been made that indemnification is not permissible, the Corporation shall make advances and reimbursements for expenses incurred by a Director, Officer, employee or Member in a proceeding upon receipt of an undertaking from him to repay the same if it is ultimately determined that he is not entitled to indemnification. If statutory or decisional law of the Commonwealth of Pennsylvania is amended or changes after the effective date of this Paragraph to permit a Pennsylvania corporation to further indemnify a Member, employee, Director or Officer of the Corporation, then the Corporation shall indemnify its Members, Directors, employees and Officers to the fullest extent then permitted by Pennsylvania law as so amended or changed.

The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to that which such Director, Officer, Member or employee may be entitled.

The Corporation is authorized to purchase and maintain insurance, or to establish a captive insurance subsidiary, trust funds or letters of credit, to protect against any liability which the Corporation may have under this Paragraph or to protect any of the persons named or described above against any liability arising from their service to the Corporation or any other legal entity at the request of the Corporation,

regardless of the Corporation's power to indemnify against such liability. The Corporation may also procure insurance, in such amounts as the Board may determine, on behalf of any person who is or was a Director, Officer, employee, Member, agent, representative or consultant of the Corporation, or is or was serving at the request of the Corporation in any such capacity for another legal entity, against any liability asserted against or incurred by him in any such capacity or arising from his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Paragraph or otherwise.

7. The Board shall at the Corporation's expense secure the fidelity of the Treasurer and any other Officers or employees as they see fit, by bond in such amount as the Board deems necessary.

8. The order of business for a meeting of the Board shall be as follows:

- (1) Calling meeting to order
- (2) Roll call of Officers
- (3) Reading of minutes of previous meeting
- (4) Communications
- (5) Reports of officers and committees
- (6) Reports of Committee on applications for membership
- (7) Election of new members
- (8) Unfinished business
- (9) New business
- (10) Good of the order
- (11) Adjournment.

ARTICLE II Officers

1. The Board, as elected on the date of the Post-Summer Members Meeting and immediately after adjournment thereof, shall elect from their body a President, Vice-President, Recording Secretary, Membership Secretary, and Treasurer, who shall serve for one (1) year.

2. The Board shall have power to fill any vacancies in office, and officers so appointed shall serve until the next Post-Summer Members Meeting, at which time successors shall be elected.

3. The President shall:

- (a) Preside at all meetings of the Board and Members;
- (b) Sign all contracts and papers relating to the affairs of the Corporation, attested by the Recording Secretary if and as may be necessary;
- (c) Make all committee appointments; and

(d) Perform all other acts properly belonging to his office, including executive supervision of all activities of the Corporation and its employees.

4. The Vice-President shall assist the President and perform his function in his or her absence.

5. The Recording Secretary shall:

(a) Make and keep minutes of all meetings of the Board and of the Members;

(b) Keep all of the Corporation's records, except financial records;

(c) Conduct all official correspondence and issue calls for meetings;

(d) Have custody of the Corporation's seal and attest the signature of Corporation's Officers when required; and

(e) Perform such other functions as may be appropriate to his office.

6. The Membership Secretary shall:

(a) Maintain membership information in the Membership Register, including names and addresses of the Members for each Membership Interest held in the Corporation, the class or classes of Members for each such Membership Interest, and such other data concerning admissions to, maintenance and termination of membership as he or she may deem appropriate or as may be required by the Board;

(b) Issue membership cards; and

(c) Perform such other functions as may be appropriate to his office or required by the Board.

7. The Treasurer shall:

(a) Make and keep records of all financial transactions of the Corporation;

(b) Be responsible for the receipt of all monies due the Corporation and deposit the same in bank accounts or other places of deposit approved by the Board;

(c) Keep and maintain the Membership Register showing for each Membership Interest a complete record of payments of all Initiation Fees, dues, assessments and other charges imposed by the Board upon Members from time to time;

- (d) Sign all checks and make all disbursements; and
- (e) Perform such other functions as may be appropriate to his office, or required by the Board.

ARTICLE III Membership

1. Membership in the Corporation shall be comprised of two classes, namely Class A and Class B.

2. Class A membership shall consist only of Members of the Corporation who shall:

(a) Be adult persons;

(b) Have the right to vote, to participate in the conduct of the business of the Corporation, to hold elective office, to participate in voting to dissolve the Corporation, and to share in the proceeds of the Corporation's assets upon dissolution in accordance with the provisions of the Pennsylvania Nonprofit Corporation Law of 1988, as amended and supplemented from time to time (the "Act"); provided, however, that a Member's share in the net proceeds of the Corporation's assets upon dissolution shall be limited to the value of such Member's initiation fee originally paid as the purchase price of a Membership Interest (together with any subsequent capital assessment attributable to the value of such initiation fee). If such net proceeds upon dissolution are insufficient to pay all Members a full refund of their initiation fee, such available proceeds shall be distributed equally among the Members on a pro rata basis. If any net proceeds of dissolution of the Corporation remain after all Members have had their initiation fee paid in full, such excess proceeds shall be donated to one or more nonprofit charitable organizations in accordance with a plan of distribution approved by a majority of the Members in attendance at a special meeting of the Members duly called for the purpose. Notwithstanding the foregoing, each Membership Interest entitles the holder(s) thereof to only one (1) vote regardless of the number of Class A Members having an interest in such Membership Interest.

(c) Be entitled to notice relative to the buying and selling of real estate, borrowing money, giving a mortgage as security for payment of a loan, amending the Constitution and/or By-Laws of the Corporation, or dissolving the Corporation;

(d) Be entitled to all the privileges of the Corporation; and

(e) Not be in default on any financial or other obligation to the Corporation.

3. Class B membership shall be limited to adult children and persons who are permanent residents of a Class A member's household. All questions of what

constitutes a permanent resident of a Class A member's household are to be determined by the Board, which is authorized to promulgate rules and regulations pertaining to the same.

4. Class B membership shall not be entitled to hold office, to participate in the conduct of the Corporation's business, to vote to dissolve the Corporation, to share in the proceeds of the Corporation's assets upon dissolution, nor to receive any notices required to be given to members of a non-profit corporation under the Act or other applicable non-profit corporations laws of the Commonwealth of Pennsylvania relative to the buying or selling of real estate, borrowing money, giving a mortgage as security for payment of a loan, amending the Constitution or By-Laws or dissolving the Corporation.

5. The dues and the date which the same are payable, i.e., the Dues Deadline, for the various classes of membership shall be fixed annually by the Board, together with any other assessments, special assessments or charges to be imposed on Members in any such given fiscal year as the Board may determine from time to time to be necessary or desirable for the operation of the Corporation and its facilities.

6. Annual dues shall be payable each year by the Dues Deadline as such date is determined by the Board, which date shall in no event be less than thirty (30) days prior to the opening of the pool. Dues may be accepted after the Dues Deadline, but shall be subject to a late charge or penalty as may be determined from time to time by the Board.

7. Each of the holders of a Membership Interest shall be given notice of the amount of his dues not less than ten (10) days prior to the Dues Deadline.

8. Any Member who fails to pay to the Corporation such Member's dues, assessments, debt or other charges of any kind, after thirty (30) calendar days written notification to such Member by the Treasurer of such Member's failure to pay such amounts due, shall be declared delinquent (a "Delinquent") and may be expelled by the Board.

9. No one who is delinquent for dues or other membership obligations shall be entitled to the privileges of membership during such delinquency.

10. The Membership Secretary, upon notification of the Treasurer that the Member's annual dues and any other proper charges have been paid shall issue an annual membership card.

ARTICLE IV Meetings of Members

1. The meetings of Members of the Corporation shall be held twice annually, including the Post-Summer Members Meeting and another such meeting to be held in any one of the spring months of each year, each as designated by the Board from time to time for the purpose, at a time and place to be fixed by the Board, and notice of such

meeting shall be given to all Members entitled to vote at least ten (10) days prior to the date set for the meeting.

2. The President may call special meetings of the Members upon his own direction, upon direction of two-thirds of the Board, or upon written request of thirty-five (35) voting members of good standing.

3. Written notice of special meetings of the Corporation shall be given to each Member of record entitled to vote at the meeting at least ten (10) days prior to the date named for the meeting.

4. A majority of the voting Members attending any regular or special meetings of Members shall constitute a quorum to transact business.

5. All business presented to the meeting must be decided by a majority vote of the Members present.

6. The order of business for a meeting of Members shall be as follows:

- (1) Calling meeting to order
- (2) Reading of minutes of previous meeting
- (3) Reports of Officers and committees
- (4) Unfinished business
- (5) New business
- (6) Good of the order
- (7) Adjournment.

ARTICLE V Guests

1. Guests may be admitted to the Corporation facilities upon payment by the Member of the guest fee fixed by the Board from time to time.

2. The Board may make such rules and regulations as they deem appropriate to govern the grant and exercise of guest privileges, including fees, number of guests and frequency and days of admission.

ARTICLE VI Amendments

Amendments to these By-Laws may be made by a majority vote of the Members present at any regular meeting of the Corporation or at any special meeting called for that purpose; provided, however, that at least ten (10) days written notice of such amendment shall have been given by mail to each Member entitled to vote, setting forth the Article to be amended and the proposed amendment.