



Fair-Blue Club, Inc.
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Welcome to Fair-Blue Club, Inc.!

This document, referred to as our "Blue Book" is everything you need to know about your membership at Fair-Blue. The first section is a collection of our policies and procedures compiled from approved motions from past board meetings. The current Board of Directors can amend these operating policies and procedures. Once changed, the board must provide new documents to all active bondholders via e-mail or hard copy.

The corporate by-laws in the second section of this document may only be amended or changed by a two-thirds vote of members present, in person or by proxy, at an annual meeting or at a special meeting called for that purpose. They may not be amended or changed by a mail poll. These by-laws have been in effect for over 50 years with reviews by Board of Directors every few years.

This Book Belongs To:

The Blue Book

Fair-Blue Membership Handbook

Policies & Procedures (Revised March 2019)

A. Bonds	2
B. Membership	2
C. Pool Operations	3
D. Safety	3
E. Health Regulations	4
F. Pool Grounds	4
G. Food & Beverage	4
H. Recreational Facilities	4
I. Swim Lessons	5
J. Lap Swim	5
K. Swim Team	5
L. Guest Policy	6
M. Guest Cards	6
N. Care-Giver Policy	6
O. Social Events	7
P. Rental (after normal operating hours) 7	
Q. Parties (during normal operating hours)	7
R. Non-discrimination Policy	7-9
S. Drug Free Workplace Policy	9
T. Staff	9
U. Board of Directors	9-10

Corporate By-Laws (Revised October 2006)

Article 1 - Purpose and Corporate Existence	11
Article 2 - Membership.....	11-12
Article 3 - Operations.....	13-14
Article 4 - Membership Meetings....	14-15
Article 5 - The Board of Directors.	16
Article 6 - Officers.....	17
Article 7 - Professional Staff....	18-19
Article 8 - Committees.....	19
Article 9 - Finances.....	19-21
Article 10 - Enactment and	
Amendment to these By-Laws.....	22

A. Bonds

1. New members pay **\$350 for a bond** and a onetime initiation fee of \$10 (unless the three payment option is chosen, then it is \$25).
 2. Bonds may be transferred, by written request from the person in whose name the certificate was issued, to another adult within the original purchaser's household for a fee of \$25.
 3. Our waiting list (if existent) is, in effect, security for your investment in Fair Blue. Its existence provides potential purchasers for your bond should you decide to leave the Club.
 4. Any person may apply for our waiting list by contacting the Membership Director. There is no application fee involved and no requirement to join when the opportunity arises.
 5. When a bond is relinquished for resale, it is offered to the prospective waiting list in the order that such prospects are placed on the waiting list. If those contacted choose not to join they will be taken off the waiting list.
 6. **Your bond is valuable**; please keep it in a safe place. Bond values for bond numbers 0-1039 are \$250, 1040-1700 are \$300 and 1701 and higher are \$350.
5. Only bond holders, associate members (those living in the same dwelling), and caregivers (see Care-Givers Policy) may use the pool without a guest pass.
 6. Membership identification will be by means of an official membership list maintained in the pool office. Membership cards have been issued as of May 2018.
 7. **Members must have staff register themselves and guests upon entering the pool enclosure.** Members must accompany their guests at the pool and see that they abide by the pools regulations.
 8. Members are required at all times to conduct themselves in a manner generally deemed proper public conduct and are also expected to cooperate in keeping the Club facilities neat, orderly, and in good physical condition.
 9. Supervision and conduct of young children are adult members' responsibility.
 10. Member's joining after July 4th will have bondholder dues prorated as calculated by the Membership Director. Bond and initiation fee will not be pro-rated.

B. Membership

1. Current bondholder dues are \$275. Each additional family member's dues (associate) will be \$50. An associate member is a spouse or any family member who has reached her/his first (1st) birthday before May 1st and who lives in the same residence. Any bondholder or associate who have reached their 65th birthday before May 1st are entitled to a ten percent (10%) discount on bondholder and associate fees dues.
2. Current bondholders are required to pay a maintenance fee of \$100. This fee may fluctuate year to year.
3. To cancel a membership the bondholder must relinquish their bond by mailing a letter of relinquishment and their bond to 2005 Fairblue Lane, Wilmington, DE 19810 (attn: Membership Director). **No email relinquishments will be accepted because they do not provide a valid signature.** Bond must be postmarked by April 15th or the bondholder will be liable to pay the annual dues.
4. **Annual membership dues are to be postmarked by May 1st.** A \$50.00 late payment fee will be assessed on payments postmarked after May 1st. No exceptions.

C. Pool Operations

1. **Lifeguards are in charge at all times.**
They have the authority to enforce the rules and regulations of the pool and to eject any violators from the pool premises.
2. Hours of operation are posted at the pool each year. Changes to the normal operating schedule will be posted as far in advance as possible. In any event, the pool will close at 8:30 p.m. instead of 9:00 p.m. if no members are present. Please note: during home swim meets Fair-Blue members can swim at the competing pool since ours is in use for the meet and vice versa as per NBSL rules.
3. During inclement or very cool weather, call the pool to be sure it is open. The pool may close due to temperature of less than 70 degrees or extended periods of rain. A sign will be posted on the door.
4. At the first clap of thunder, the pool(s) will close for 20 minutes.
5. Children 10 and under (after 7:00 p.m., children 12 and under) must always be accompanied to the swim club by an adult or a responsible teenager 15 years or older.
6. A 10 minute Adult Swim will be announced, usually at the top of the hour, when the pool is crowded.
7. Use of any swimming equipment must be approved by the lifeguards. Inflated mats and floats are prohibited in the large pool except during pool sanctioned events (i.e. "Float Night"). Diving masks, snorkels, etc. are not allowed in the diving well.
8. Fair Blue allows the use of flotation devices for children who are learning to swim. However, the device must contain solid flotation material (no inflatable devices), the device must be designed in such a way that it cannot come off, the device must hold the head face-up at all times and a parent or person of responsible age must be in the pool within arm's length at all times. The pool manager reserves the right to reject any device.
9. Members are both expected and requested to clean up after yourself, trash receptacles are provided.
10. Lounges and chairs are provided and should not be used as foot rests or backpack holders. Hooks are provided to hang backpacks inside or outside change rooms.
11. Any payment to Fair Blue Club, Inc. for guest passes, snack cards, swim lessons, swim team, social events, etc. should be made by check or cash.

D. Safety

1. No one is allowed within the pool enclosure unless a lifeguard is on duty.
2. No glass containers allowed inside the pool fenced enclosure.
3. All children 8 and under will need to pass a water safety test (tread water for one minute and swim one length of the pool) in order to swim in the big pool without adult supervision.
4. Baby pool is only for non-swimmers that have NOT passed the big pool safety test. An adult or other responsible person (age 15 or older) must watch all children in the baby pool within the fenced area. No lifeguard is on duty, parents are responsible - please watch your children!!
5. Always close gate to baby/wading pool.
6. One person is allowed on the diving board at a time. You must be able to jump from the diving board of your own free will and swim to the ladder unassisted. Parents may tread water close by for the safety of younger swimmers.
7. No running, walk on pool decks. Pushing, dunking, unauthorized games, or other horseplay is prohibited.
8. No diving in the restricted areas on the shallow end of the pool (5 feet of water or less) or in the wading pool.
9. Look before you leap into any pool.
10. The following rules will be obeyed when using the water slide:
 - Only one person allowed on the slide at any given time.
 - Rough housing or horse play on the slide is strictly forbidden.
 - Do not use the slide as a diving platform. The slide is made for sliding only, not diving. NEVER DIVE FROM ANY PART OF THE SLIDE.
 - Always slide feet first.
 - Do not slide until all obstacles (including people) are clear of the slider's path.
 - Do not slide into or onto flotation devices.
 - Users must either pass the swim test or wear an approved flotation device unless an adult is present to catch you.
 - No "high fives".
 - No stopping on the slide.
 - No climbing on the slide.

No swimming inside the roped area of the slide.

E. Health Regulations

1. For obvious sanitary reasons, small children in diapers must wear rubber or plastic pants sealed at the waist and legs to prevent leakage.
2. Persons having a communicable disease, skin eruption, fungus infection, eye, ear, nose or throat infection, or other open sores are not permitted in the pools.
3. Persons with open or bleeding wounds are not permitted in the pools. Any injury which occurs in the pool area and which results in an open or bleeding wound must be treated and reviewed by a lifeguard before entry to the pools will be permitted.
4. Pets or other animals are not permitted inside the pool or fenced enclosure.
5. No smoking within fenced pool enclosure. If you must smoke please do so in designated area outside the fence.

F. Pool Grounds

1. Exercise extreme caution when driving on Fair Blue Lane and on the Club's property. Restrict speed to not more than 15 mph. Watch out for children of all ages.
2. Please observe the STOP sign at the driveway exit and look both ways.
3. Please be considerate of the neighbors and use your horn only when necessary.
4. Park to allow the maximum use of the area by other cars.
5. Bicycles are to be parked in the racks provided (locks are strongly suggested).
6. There is no dumping of garden and yard debris outside the fenced area of the pool property except in the designated compost area. Signs may be posted.

G. Food & Beverage

1. Alcohol is not permitted on pool property during normal operating hours.
2. Soft drinks (no glass!) are allowed on the concrete areas surrounding the pools. Soft drinks attract insects; please notify staff of any spills and dispose of soda and cans properly. Look for special receptacles for recycling cans.
3. Food may be consumed on the concrete areas surrounding the pools. Picnic meals should be eaten in the designated picnic area. Members are responsible for cleaning up after themselves on both the pool deck and picnic area.
4. Gum is not permitted in the pool, it clogs up pool drains.

5. No food or beverage is allowed on playground or sand area.
6. Gas grills may only be operated by an adult. Please clean up after using grills and return cover when cool.

H. Recreational Facilities

1. All recreational facilities are available for use by the membership during normal pool hours.
2. All children should be adequately supervised while using the playground, basketball court or any other recreational equipment.
3. No hanging on volleyball net. Return volleyball to office.
4. Sand must be washed off before entering any pool!
5. Do not throw sand.

I. Swim Lessons

1. Group swim lessons are taught by our pool staff. Usually four week long sessions are offered. Sessions are broken down into a variety of levels and class sizes are limited.
2. The fee will be determined by the manager and posted before sign up. Payment is to be made to Fair Blue Club, Inc and is due at the first lesson. No refunds on lessons.
3. The first session usually starts 2 weeks prior to the week of July fourth followed by 2 to 3 more sessions, based on interest. The complete schedule of lessons will be posted at the pool each season. Sign-ups for each session will end the Sunday preceding the session start date, or when classes are full.
4. Private swim lessons (for members only) can be arranged with any member of the Pool Staff.

competing pool since ours is in use for the meet and vice versa.

4. Swim team fee is \$55 (non-refundable) per swimmer.
5. Any raising of funds associated with the swim team (or pool) must be approved by The Board of Directors.

J. Lap Swim

1. Every day from 11:00am-12:00pm and Monday thru Friday from 5pm to 6 p.m. During these hours each day lanes can be roped off for those who want more than the 15 minutes available during Adult Swims at the top of each hour.
*Lap swim **WILL NOT** occur on the 3 major holidays (Memorial Day, 4th of July and Labor Day) due to the high volume of members using the pool during those times.

Please note: although the pool is available for all to enjoy during these times, the lane swimmers have priority over the restricted lane(s) that are roped off.

2. If you cannot make it to the pool during the specified lap swim, the board and staff suggest trying to come the first hour the pool opens or in the evenings. Check with staff if you have any questions.

K. Swim Team

1. All 6 & under swimmers must be able to swim one length of the pool in order to be on swim team.
2. NBSL requires a guard on the stand during warm-ups and recommends a guard on the stand during swim meets. Fair Blue will provide a guard on the stand for all home meets (*Board | January 2007*) and practices (*Board | June 2007*).
3. Please note the NBSL rule for pool reciprocity. During home swim meets Fair Blue members can swim at the

L. Guest Policy

1. Members are allowed to share the hospitality and good will of the pool activities with their non-member friends through this policy.
2. Admission of guests will be accomplished by the use of guest cards and weekly houseguest passes which are sold only to adult members and which are not transferable.
3. A given individual may not be a guest more than 10 times per pool season.
4. Members bringing more than 10 guests at one time (i.e. for picnics or parties) must give the staff at least one week's notice to assure adequate staff for your safety.
5. Guests are permitted in the pool enclosure only when accompanied by an adult member. This privilege is extended to members as young as 9 years old at the discretion of the Pool Manager.
6. The pool member accepts the responsibility for any guest(s) that she/he brings to the pool. This includes adherence by the guest(s) to the rules and regulations of the pool and proper and safe conduct of the guests, especially children.
7. Guest privileges may be suspended from any Club member by the Board of Directors for any serious violation of guest policy. In such cases, the unused portion of the guest card or pass in the offending member's possession will be forfeited.

Care-Giver as an associate member and pay the respective dues.

3. The Care-Giver may only use the pool while accompanying the Club member's child/children in their care.

M. Guest Cards

1. Guest cards can be purchased by members through the member account. You may purchase them with cash or check from the staff during normal pool hours or online with a credit card via your online account at any time. Payments by check only are to be made payable to Fair-Blue Club, Inc.
2. The current fee as of October 14, 2018 is \$5.00 per person.
3. Guest cards and passes are not transferable and are non-refundable.

N. Care-Giver Policy

1. "Care-Giver" is defined as a person responsible for your children on a regularly scheduled weekly basis. A Care-Giver must be at least fifteen (15) years old.
2. To provide access to the pool for the care-giver when providing care to your child/children, a bondholder must purchase either a guest pass for the Care-Giver or may name a specific

O. Social Events

1. Guests are welcome at all social events; their ticket price includes the guest pass fee when accompanied by a member.
2. Alcohol will be allowed at adult only after hour parties, with the understanding that anyone consuming alcohol will be prohibited from entering the pool which will be closed during the event.

P. Rental (after normal operating hours)

1. The pool can be rented (after normal operating hours) for \$150 to members in good standing to host private parties as approved by The Board of Directors. The fee for a pool rental after Labor Day will be \$250 due to the cost of keeping the pool operating to accommodate such a request. Guards will be supplied by the pool and paid by the renter as stated in the rental agreement. A rental agreement (two copies) must be filled out and submitted to the manager with a list of party guests and a check for the rental payable to Fair-Blue Club, Inc. Return one copy of the agreement to the renter when authorized.
2. The use of live bands during rental parties is prohibited.
3. There will be no "rain dates" for pool rentals.
4. Rentals may not be scheduled before May 1st for the upcoming season.
5. Renter is responsible for the clean-up of the pool grounds after rental.

Q. Parties (during normal operating hours)

1. Parties should be scheduled at least one week in advance on a first come, first served basis, allowing only one group at a time to be scheduled.
2. Weekend parties are not encouraged due to the infringement on the membership as a whole.
3. Please limit non-member guests for parties to 10.
4. All non-member children 8 and under will need to pass a water safety test (tread water for one minute and swim one length of the pool) in order to swim in the big pool without adult supervision.

R. Non-discrimination Policy

The following policy on equal opportunity and freedom from harassment shall be provided to the members of Fair-Blue Club and to the full and part-time employees of the Club. The employees will sign and date an Employee Acknowledgment indicating that they have

received a copy of this policy. The policy is as follows:

Fair-Blue Club, Inc. Policy on Equal Opportunity and Freedom from Harassment
Preamble

Respect for the dignity and worth of every individual is a basic tenet of Fair-Blue Club, Inc. ("Fair Blue"). Each individual has the right to work and live in an environment conducive to equal opportunity and free from discriminatory practices.

Fair Blue does not tolerate harassment on the basis of race, creed, color, national origin, age, marital status, sex, sexual orientation, religion, or disability. As an employer and a member of the community, Fair Blue is committed to eradicating harassment and other discrimination on the basis of race, creed, color, national origin, age, marital status, sex, sexual orientation, religion, or disability.

R. Non-discrimination Policy (continued)

Policy Prohibiting Harassment and Discrimination

Equal Opportunity

Fair Blue is committed to equal opportunity in employment. The company will not base any employment decision on an individual's race, creed, color, national origin, age, marital status, sex, sexual orientation, religion, or disability.

Harassment Prohibited

Fair Blue does not tolerate harassment on the basis of race, creed, color, national origin, age, marital status, sex, sexual orientation, religion, or disability. Such harassment in the workplace is also a form of employment discrimination and is prohibited by law. All employees and Board Members are responsible for keeping Fair Blue free from all forms of harassment.

Harassment Defined

1. **Hostile Environment.** Harassment prohibited under this policy includes verbal, visual or physical conduct relating to matters of race, creed, color, national origin, age, marital status, sex, sexual orientation, religion, or disability which is unwelcome to the reasonable person, and

- has the purpose or effect of unreasonably interfering with an individual's work performance, or
- has the purpose or effect of creating an intimidating, hostile or offensive working environment.

2. **Quid Pro Quo.** Harassment on the basis of sex or sexual orientation also includes unwelcome sexual attention, sexual advances, requests for sexual favors and other verbal, visual or physical conduct of a sexual nature when

- submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, or
- submission to or rejection of such conduct by an individual is used as a basis for employment decisions.

3. **Examples.** Examples of harassment include, but are not limited to: threatening adverse employment actions if sexual favors are not granted; promising preferential treatment in return for sexual favors; unwarranted or unnecessary physical contact; excessively offensive remarks, including unwelcome sexually suggestive comments, unwelcome comments about race, color, religion or national

origin, obscene jokes, jokes disparaging a racial or ethnic group or religion, and inappropriate use of sexually explicit or offensive language; the display in the workplace of ethnic or religious slurs, or sexually suggestive objects or pictures; and any of the foregoing actions by club members, associates, visitors, and/or vendors of Fair Blue if such actions are known or condoned by Fair Blue's managing employees or Board Members.

R. Non-discrimination Policy (continued)

Persons Covered

This Policy covers all employees of the company, full-time, regular and temporary, and all applicants for employment.

Enforcement of the Policy

Any person who believes that there has been any violation of this Policy should report the matter promptly to the pool manager and/or a Board member.

Fair Blue will investigate all allegations of violations of this Policy in as prompt and confidential a manner as possible and will take such corrective action as is warranted. In determining whether alleged conduct constitutes harassment, Fair Blue will look at the record as a whole and at the totality of the circumstances. Any employee found to have violated this Policy will be subject to appropriate disciplinary action, up to and including termination of employment.

Retaliation in any form against anyone who exercises his or her right to make a complaint under this policy is strictly prohibited, and will itself be cause for disciplinary action. Such retaliation violates the law.

Information on Policy

A copy of this Policy has been given to each of the company's existing employees. A copy is also given to each new employee at the time of hire. At least once annually, Fair Blue will cause a reminder of this Policy to be published to all employees.

Third Party Harassment

Harassment by club members, associate members, visitors and/or vendors of Fair Blue will not be tolerated. If such harassment takes place, Fair Blue will take prompt and appropriate action to ensure that the harassment ceases and that Fair Blue remains free from such harassment. Prompt and appropriate action may include the suspension or revocation harasser's membership or associate membership, restrictions concerning visitor privileges for members, associate members, and visitors involved in the harassment, and/or the temporary or permanent banishment of the harasser or harassers from the Club grounds. Less severe punishment may also be taken provided that they are reasonably designed to prevent and eradicate the harassment.

S. Drug Free Workplace Policy

Fair-Blue Club, Inc. is committed to providing a safe environment to its members and employees. That commitment is jeopardized when any Fair-Blue Club, Inc. employee illegally uses drugs or alcohol

on the job, comes to work with these substances present in his/her body, or possesses, distributes, or sells drugs in the workplace. Therefore, Fair-Blue Club, Inc. has established the following policy:

- it is a violation of company policy for any employee to possess sell, trade, or offer for sale illegal drugs or otherwise engage in the illegal use of drugs, intoxicants, or alcohol on the job.
- It is a violation of company policy for anyone to report to work under the influence of illegal drugs or alcohol that is, with illegal drugs, intoxicants, or alcohol in his/her body.
- It is a violation of the company policy for anyone to use prescription drugs illegally. However, nothing in this policy precludes the appropriate use of legally prescribed medications. If you are prescribed a medication that causes drowsiness, please see the pool manager before starting your shift.
- Violations of this policy are subject to disciplinary action up to and including termination of employment.
- All employees share responsibility for maintaining a safe work environment and should encourage co-workers who uses alcohol or other drugs in the workplace to seek help.
- It is the responsibility of the manager to counsel employees to seek help whenever they see changes in performance or behavior that suggests an employee may be under the influence of alcohol or other drugs.

T. Staff

1. Contracts for employment will be issued and must be signed before the start of each pool season. The signed contract becomes a binding agreement of employment with Fair Blue. Termination on behalf of Fair Blue would be according to By Laws Article 7 section 4; termination on behalf of employee may result in a financial penalty.
2. Guards working after hour parties will be paid time and a half.
3. After hours use of pool by staff is prohibited.
4. Staff must wear appropriate attire (shirts and/or hats) while on duty, if supplied by the Board of Directors.

U. Board of Directors

1. Directors are eligible for their choice of a reduction in annual fees equivalent to one associate member or complimentary guest cards during their tenure. Directors are permitted to give complimentary guest cards to members for circumstances they deem appropriate.

2. Two signatures are required on all FairBlue Club, Inc. checks.
3. Directors are required to perform duties in good faith in a manner they believe is in the best interest of the corporation without allowing personal interests to interfere.

Please Note: If you have a special circumstance not covered in this book, please contact the board of directors in writing.

Article 1 – Purpose and Corporate Existence

Section 1. Fair-Blue Club Inc. shall exist as a private social organization to promote the health and general welfare of its members by operating recreational facilities. Principally a community swimming pool in Brandywine Hundred, New Castle County, Delaware.

Section 2. The club shall be incorporated under the laws of Delaware as a not-for profit corporation. The board of directors shall maintain this status and shall comply with all laws and regulations of the state affecting incorporation.

Section 3. Any funds remaining shall be equally divided among all members in good standing as defined in Article 2, Section 4, of these by-laws.

Section 4. The club is empowered to enter into contracts and to purchase, hold, transfer and sell land and other real property.

Section 5. Each person who serves as a director or officer of the club or is employed by the club under the provisions of these by-laws shall be indemnified by the club against any expense incurred in connection with the defense of any action, suit or legal proceeding to which he/she in made a party by reason of being or having been a director, officer, or employee. This right to indemnification shall not pertain if he/she is judged liable for gross negligence or willful misconduct. In the event of death, this right to indemnification shall extend to his/her heirs and legal representatives.

Section 6. No member, associate member, director, or officer of the club is empowered to contract any debt or obligation on behalf of the club except in the normal performance of duties prescribed by these by-laws or by actions, which have been duly authorized by The Board of Directors.

Article 2 – Membership

Section 1. Membership in the club shall be acquired by purchase from the club of a certificate of membership under the terms and conditions prescribed by these by-laws.

Section 2. The Board of Directors shall set the total number of members from time to time but, at no time, shall the total number of members exceed 300.

Section 3. Associate member status shall be granted, upon request, to any person in the immediate household of a member. This includes all persons in the member's immediate family or other persons permanently resident in his/her home. The board of directors also may grant associate member status to any other person as it deems appropriate provided a record of such action and the reason(s) for it are entered into the permanent minutes of the board.

Section 4. Member status shall be maintained by continued ownership of a certificate of membership, and by timely payment of annual dues and any fees and assessments prescribed by The Board of Directors in accordance with Article 9 of these by-laws. Associate member status shall be maintained by timely payment of annual dues and any fees prescribed for associate members in accordance with Article 9 of these by-laws, except that associate members shall not be subject to any assessments.

Section 5. The board of directors is empowered to impose reasonable terms and conditions for membership and associate membership, except that it is not empowered to impose restrictions based upon sex, race, religion, ethnic origin, political beliefs, disability, age or similar criteria.

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Article 2 Membership

Section 6. Members must be at least 18 years of age, which age shall be considered the minimum for having attained adult status where such status is required by any provision of these by-laws. Application of the term "adult" to any lesser age in any action by the club or its board of directors shall have no effect upon its definition for the purposes of these bylaws. There shall be no age restrictions on associate member status.

Section 7. Requests for membership shall be acted upon in the order in which the membership director receives them. For this purpose, he/she shall maintain a list of all persons seeking membership, adding to the end of the list the name of each person expressing a desire to become a member. As memberships become available, the membership director shall initiate a process by which the person whose name is at the beginning of the list shall be invited to submit an application. Such applications must be accompanied by full payment for a certificate of membership and any initiation fee established by The Board of Directors within 14 days of notification that a membership is available. A former member who has withdrawn from the club because of circumstances clearly beyond personal preference, except as the result of disciplinary action by The Board of Directors, shall be entitled to special consideration for readmittance to the extent that his/her name shall be placed on the waiting list after that of any other person in similar situation but before any other person not in similar situation.

Section 8. The Board of Directors shall fix the price at which a certificate of membership can be purchased or redeemed from time to time.

Section 9. Certificates of membership shall be numbered, dated, and issued in the name of any adult who has complied with the application procedure prescribed by Section 7 of this article. Once issued, a certificate may be transferred to another adult within the original purchaser's household or to the club for disposition. No other transfer shall be permitted. Transfer shall be made upon written request from the person in whose name the certificate was issued. No certificate shall be issued jointly to two or more persons.

Section 10. At the same time, ownership shall be recorded by the membership director on the membership roster, which roster shall be the final arbiter in the event of a dispute concerning ownership of the certificate.

Section 11. A member may withdraw from the club at any time by submitting a written notice of withdrawal to the membership

director and surrendering his/her certificate of membership. Such notice is not subject to any approval and need not contain a reason for withdrawal. Failure to include a reason, however, shall constitute a waiving of the right to preferential readmission as defined in Section 8 of this article.

Section 12. Upon receipt of a written notice of withdrawal the membership director shall cause the club to redeem the withdrawing member's certificate of membership. Payment shall be made upon surrender of the certificate or a written notice that it has been lost. Payment shall be delayed until the club has secured a purchaser for the certificate in accordance with the terms of this article. In the event no purchaser is available, the delay shall be extended until one becomes available. The withdrawing member shall have no membership rights during the interim nor shall he/she be liable to pay annual dues, fees, or assessments imposed after the date of the notice of withdrawal. Payments withheld shall be made as purchasers become available in the order in which notices of withdrawal were received. An order of disciplinary action by The Board of Directors shall have the same effect as a notice of withdrawal for the purposes of this section.

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Article 2 Membership

Section 13. Any debt owed the club, including annual dues and fees and assessments payable on or before the date of a notice of withdrawal, shall be a lien against the certificate of membership and shall be subtracted from its redemption price before payment is made. In the event such debt is in excess of the redemption price to be paid, the balance shall remain a debt of the individual to the Club. No refund of annual dues or of fees already paid, either in whole or in part shall be made except by specific authorization by The Board of Directors.

The Board of Directors during the operating season shall be posted at the pool for no fewer than three consecutive days before they are effective. Publication of rules by either of the methods shall constitute due notice and all persons using club facilities shall be bound by them.

Article 3 – Operations

Section 1. The club shall operate and make its facilities available to all members and associate members during the period of the year accepted as suitable for outdoor swimming and related recreation. This season, generally, shall extend from the annual Memorial Day holiday weekend in May until the annual Labor Day holiday weekend in September. Specific dates and times of normal operation shall be fixed by The Board of Directors, which may extend the season if deemed appropriate, or may curtail it in the event continued operation would pose a threat to safety or health or be deemed impossible because of an emergency situation.

Section 2. The facilities of the club shall be operated at all times for the benefit of the entire membership and never for the profit or advantage of any person or group of persons, whether members or not. Nothing in this section shall prohibit the club from renting its facilities for a reasonable fee, except during normal operating hours, to individual members or groups of members for their private use. Nor shall anything in this section prevent the curtailment of operations for short periods of time during normal operating hours for club-related activities such as swimming meets, charitable events, and the like. Such exceptions from normal operations shall be permitted only with the concurrence of The Board of Directors and under conditions, which protect the property of the club and the safety of persons using club facilities.

Section 3. Members, associate members, and guests shall conduct themselves in a manner generally deemed proper public conduct at all times when using club facilities or present on club property.

Section 4. Admittance to, and use of, club facilities by members, associate members and guests shall be further governed by rules enacted by The Board of Directors. Such rules shall be published in a form convenient for reference and shall be distributed to all members at least once a year. Any changes in such rules adopted by

– (continued)

Article 3 Operations

Section 5. The board of directors is empowered to enforce all rules and assure proper conduct by whatever means it deems necessary and appropriate. The professional staff of the club is empowered to enforce all rules, and common-sense response to particular situations by whatever means it deems appropriate under the circumstances, subject to later concurrence by The Board of Directors. The board is empowered, by a two-thirds vote, to suspend or expel any member found, after due process (written notice of violation and given an opportunity to be heard), to be in continued or serious violation of its rules or unresponsive to reasonable enforcement efforts. Expulsion of a member shall be accomplished by recalling the member's certificate of membership, and paying for it in accordance with Sections 12 and 13 of Article 2 of these by-laws. Expulsion of an associate member shall be accomplished by issuing a notice declaring that person no longer is an associate member. Expulsion shall not require any refund, in whole or in part, of annual dues or any fees already paid.

Section 6. The board of directors shall maintain adequate insurance coverage for liability and property damage.

Article 4 - Membership Meetings

Section 1. Members of the club shall meet in annual session and at such other times as is necessary to conduct the business of the club.

Section 2. All members currently recorded on the club membership roster shall be entitled to written notice of such meetings at least 10 days in advance of the date on which they are to be held in a form which states the purpose of the meetings, the time and the place for it, and any other information reasonably considered necessary to participate in the meeting. Such notice shall be considered given when written notice is sent by mail or electronic mail to a member at the address recorded on the membership roster.

Section 3. A quorum at any meeting shall be any 25 members: A quorum may be achieved by proxy. Proxies may be acquired via e-mail or hard copy.

Section 4. The president of the club shall preside at all meetings of the club. In his/her absence, the officer who normally would fill the function of the president in such situation shall preside.

Section 5. Any member shall have the right to address any meeting and to present proposals, which properly may come before the meeting. Each member is entitled to one vote, which may be cast in person or assigned by written proxy to any other member or adult associate member. Voting

may be by any generally recognized procedure. A majority of votes cast by members present, in person or by proxy, shall carry a proposal except on questions on which a larger majority is required by provisions of these by-laws and/or the certificate of incorporation.

Section 6. Adult (age 18 and above) Associate members shall have the right to attend all meetings of the club, to address such meeting and to cast proxy votes for members.

Section 7. The annual meeting of the club shall be held no later than the end of November at a time and place set by The Board of Directors. The hour of meeting shall be one at which it reasonably can be assumed the average member can attend and the location shall be reasonably accessible to the average member.

Article 4 - Membership Meetings (continued)

Section 8. The annual meeting shall be for the purpose of receiving an annual report from The Board of Directors on the operation of the club; electing directors; receiving committee reports; adopting annual operating and capital budgets; and transacting any other business, which may properly be brought before such a meeting.

Section 9. Members of the club at the annual meeting also shall elect three members or adult associate members who are not directors or standing for election as directors to serve on a nominating committee for the following year's election of directors as prescribed by Sections 1 and 3 of Article 5 of these by-laws. The board of directors at any meeting after its organizing meeting shall name to this committee two directors, at least one of whom shall have a term of office expiring at the next annual meeting and who shall become chairperson of the nominating committee. This chairperson shall cause the nominating committee to meet in advance of the annual meeting and to serve for as long as necessary to obtain a sufficient number of nominees to stand for election as directors, and as members of the following year's nominating committee at the annual meeting. Such nominees may include members of the nominating committee who otherwise are eligible for election as directors. The committee shall make known its selection of nominees, who shall include at least one person and not more than two persons for each position to be filled, to the secretary of the club in sufficient time to have the names of the nominees to be presented at the annual meeting included in the notice of the meeting.

Section 10. Any member present in person at the annual meeting may nominate any eligible person for election to any director position available, provided he/she notifies the secretary of the club in writing of his/her intention to do so at least 10 days before the meeting. If such nomination is seconded by any other member present in person at the annual meeting, the nominee shall be presented to the membership for election on a basis equal to that of nominees presented by the nominating committee.

Section 11. No nominee may be presented to the membership for election before having given assent to serve if elected.

Section 12. Special meetings of the club may be called at any time by The Board of Directors. Such meetings may be called only for a specific purpose or purposes, which shall be stated in the notice of meeting, and no other business may be brought before such meeting. The requirements concerning time of day and location for special meetings shall be the same as prescribed by

Section 7 of this article for the annual meeting.

Section 13. The board of directors shall call a special meeting at any time it is presented with a petition to do so signed by no fewer than 25 members and stating the purpose(s) for which such a meeting is desired. Such a meeting must be held within 30 days of the receipt by the secretary of the club of such a petition. The secretary shall comply with the notification procedure prescribed by Section 2 of this article.

Article 4 - Membership Meetings (continued)

Section 14. The board of directors may conduct a poll of members by mail or electronic mail on any question not excluded from such consideration or reserved to the annual meeting by these bylaws. Such a poll shall have the same effect as a special meeting. A mail poll may be held in lieu of a special meeting requested under the provisions of Section 13 of this article only with the assent of all the petitioners for such a meeting. Affirmative votes by a majority of members responding to a mail poll shall be required for approval of a proposal so presented, except in cases where a larger majority is required by provisions of these by-laws. The board of directors shall fix a period of time, which shall not be less than 20 days, during which response to a mail poll shall be received.

Article 5 - The Board of Directors

Section 1. Between membership meetings and polls, the business of the club shall be conducted by a board of directors consisting of nine persons who are members or adult associate members elected by a majority vote of members present in person or by proxy, at the annual meeting of the club. No two or more persons from the same household may serve as directors at the same time. Directors shall take office upon the adjournment of the meeting at which they are elected.

Section 2. The board of directors shall have, in addition to the powers stated in these by-laws, all reasonable authority and powers necessary to conduct the business of the club.

Section 3. Directors shall be elected for a two-year term of office. Each director shall serve no more than four consecutive two-year terms.

Section 4. Directors shall serve without pay beyond reimbursement of out-of-pocket expenses incurred in performance of duties on behalf of the club.

Section 5. The board of directors shall meet in organizing session to elect officers and to transact any other business, which may properly come before directors within 30 days of the adjournment of the annual meeting. Thereafter, the board shall meet periodically, holding no fewer than four meetings between annual meetings. A meeting of the board may be called by the president or by any three directors acting together. Meetings shall be held on dates and at times and places that reasonably can be considered appropriate for attendance by a majority of the directors. The secretary shall give all directors due notice of all meetings of the board.

Section 6. A quorum for the transaction of business at any meeting of The Board of Directors shall be five directors present in person or by telephone.

Section 7. All decisions by The Board of Directors shall be by majority of the directors present in person and voting, except in cases where a larger majority is required by these by-laws.

Section 8. Any member or associate member of the club may attend any meeting of the board of directors, except that directors may declare a part of such meetings as executive session and exclude all but directors from that session provided the specific purpose(s) of executive session is/are stated. No vote in executive session shall be binding upon the club. Any member of the club is entitled to notice of meetings of the board upon written request to the secretary.

Section 9. In the event of a vacancy on The Board of Directors occurring between annual meetings, the remaining directors shall elect a replacement director to serve until the next annual meeting. A vacancy occurring within 30 days prior to the next annual meeting need not be filled. In the event of a vacancy on the board beyond those created by the normal expiration of terms of office, members at the annual meeting shall elect a replacement director to fill the remainder of the term of the person whose departure caused the vacancy. A person elected by the board under the provisions of this section may be elected at the next annual meeting only to fill the unexpired term of the director whom he/she replaced. Any person serving less than two full years as a replacement director shall be eligible for re-election at an annual meeting to a full term.

Section 10. The board of directors may remove, for cause, any director by a two-thirds majority vote of all directors exclusive of the director whose removal is at question. Such action and its cause(s) shall be entered into the permanent minutes of the board. Any director may be removed, for cause, at any annual or special meeting called for that purpose, by a two-thirds majority of all members present and voting, either in person or by proxy, exclusive of the member whose removal as a director is at question. Such action may not be taken by a mail poll.

Section 11. The board of directors shall keep permanent minutes of all meetings and any other official proceedings, which minutes shall be open to inspection by any member or associate member of the club at any annual or special meeting or upon written request to the secretary of the club.

Article 6 – Officers

Section 1. The board of directors, at its organizing meeting, shall elect, from among the directors of the club, a president, a vice president, a secretary and a treasurer, who shall be the officers of the club. No person may hold more than one of these offices at any time.

Section 2. The president shall be the executive head of the club with all the usual powers and responsibilities of that office. In addition, he/she shall serve as chairperson of The Board of Directors and ex-officio member of all committees.

Section 3. The vice president shall, in the absence of the president, perform the functions of the president on an interim basis. In the event of a vacancy in the office of the president, he/she shall succeed immediately to the presidency.

Section 4. The secretary shall keep the permanent minutes of the board and all other books and records, other than financial, of the club; shall carry on all official correspondences and shall perform all other normal functions of his/her office. The secretary shall, in the absence of the president and vice president, perform the functions of the president on an interim basis.

Section 5. The treasurer shall be responsible for the financial books and records of the club and shall be responsible for collecting all revenue and paying all debts on behalf of the club and shall perform all other normal functions of his/her office. The treasurer shall, in the absence of the president, vice president and secretary, perform the functions of the president on an interim basis.

Article 6 Officers (continued)

Section 6. The Board of Directors shall select from among the directors of the club a membership director, a personnel director, and a grounds and maintenance director. No person who is an officer may hold these positions nor may any person hold more than one of these positions at any time. The membership director shall be responsible for those duties specified in these by-laws pertaining to the maintenance of the club membership and such other related duties as may be prescribed by the board. The personnel director shall be responsible for those duties specified in these by-laws pertaining to the employment of a professional staff to operate the pool and other club facilities and such other related duties as may be prescribed by the board. The grounds-and-maintenance director shall be responsible for maintaining in usable and serviceable condition all property and facilities of the club and for such related duties as may be prescribed by the board.

Section 7. The board of directors may appoint, either from among the directors or from among the membership or associate membership of the club, such other directors, as it deems appropriate for the operation of the club. These shall include, but not be limited to, a social director, a swim team director, a communications director and task force director as required. These positions may be held by any member or associate member irrespective of any other office or position he/she may hold in the club.

Section 8. The terms of all officers and directors, except the president and the vice president, shall be at the pleasure of The Board of Directors. The president and the vice president shall serve from the organizing meeting of the board until the next annual meeting of the club. Any vacancy among the officers, except in the office of vice president, shall be filled promptly and, in no event, shall there be a vacancy in these offices at the annual meeting. The president or the vice president may be removed from office before the expiration of his/her term only through the procedures for the removal of a director established by Section 10 of Article 5 of these by-laws or by the procedures for the expulsion of a member established by Section 6 of Article 3 and Sections 9 and 15 of Article 9 of these bylaws.

Section 9. The board of directors shall be considered a continuing body and all actions taken by the board, except those prohibited by these by-laws, shall be binding upon successor boards unless and until rescinded by a board.

Article 7 – The Professional Staff

Section 1. The board of directors shall employ a pool manager; lifeguards and such other persons as are required to operate the pool and other club facilities. These persons shall be employees of Fair-Blue Club Inc. and shall be compensated for their services.

Section 2. The personnel director shall be liaison between the professional staff and The Board of Directors. For the purposes of an employer-employee relationship, the line of authority shall pass from the president through the personnel director to the pool manager and, through him/her, to all other persons on the professional staff. No other member of the club shall be deemed to have an employer-employee relationship with any person on the professional staff.

Section 3. The board of directors shall set whatever standards and conditions for initial and continued employment, including rates of compensation, it deems appropriate. The board shall be governed in this respect by all applicable laws and by all accepted practices applying to the employment of minors.

Article 7 The Professional Staff
(continued)

Section 4. The board of directors shall not enter into a contract or agreement concerning employment that extends beyond the date of the next annual meeting. The board shall have all usual powers for the termination of employment of any person on the professional staff at any time such termination is deemed appropriate.

Section 5. No member or associate member or any person who is eligible to be an associate member by virtue of belonging to a member's family shall be employed on the professional staff. Nothing in this section shall prevent a person ineligible for such employment from being employed on a temporary or part-time basis and compensated for such employment in a capacity ancillary to the professional staff. If an ineligible part-time or temporary employee exhibits remarkable work ethic and fulfills their job description and employee contract for the current season, they may be considered for fulltime employment the following season with two thirds majority board approval.

Section 6. The board of directors may employ and compensate such other persons, whether members, associate members or not, as it deems necessary to perform duties or services required by the club beyond operating the pool and other facilities. The terms of such employment shall be governed by Sections 3 and 4 of this article.

Section 7. The Board of Directors shall cause to be in place a policy on equal opportunity and freedom from harassment.

Article 8 – Committees

Section 1. In addition to the committees established by these by-laws, The Board of Directors is empowered to create from time to time such other committees it deems necessary or appropriate for the conduct of the operations or business of the club. Membership on any committee shall be without compensation and shall be drawn, to the extent practical, only from among members and associate members of the club. These committees shall serve at the pleasure of the board.

Section 2. Persons appointed by The Board of Directors as chairperson under the provisions of Article 6 of these by-laws also may appoint committees on an ad-hoc uncompensated basis to assist them in carrying out their responsibilities. Such committees shall serve at the pleasure of the chairperson appointing them.

Section 3. Activities of all committees shall be subject to the concurrence of the board of directors and no committees, or member thereof, may obligate the club to

any extent except with the specific concurrence of the board.

Article 9 – Finances

Section 1. The accounts of the club shall be maintained on the basis of a fiscal year beginning October 1 and ending September 30 each year. The books of the club shall be closed 10 days before the annual meeting and not reopened until the organizing meeting of The Board of Directors.

Section 2. The treasurer shall be the chief financial officer of the club. In addition to duties specified in Section 5 of Article 6 of these by-laws, it shall be his/her duty to adhere to the operating and capital budgets approved at the annual meeting and to guide the board of directors in any deliberations involving the budgets. The treasurer is empowered to veto any action by the board, which is, in his/her opinion, contrary to the provision of these budgets. Such veto may be overridden only by unanimous vote of all directors other than the treasurer.

Section 3. The operating budget presented by the treasurer to the annual meeting, in person or through his/her agent, shall list all revenue that reasonably can be expected to accrue to the club during the year and all normal operating expense, which reasonably can be expected. It also shall provide for contingencies. The capital budget presented by the treasurer to the annual meeting, in person or through his/her agent, shall list all expenses, which reasonably can be expected in conjunction with the acquisition of new facilities and equipment and the improvement or replacement of existing facilities and equipment. It also shall list all reasonably expected sources of revenue for these purposes. Both budgets shall be in balance.

Section 4. Approval of the budgets by a majority vote of members present, in person or by proxy, at the annual meeting and approval of amendments to the budgets by a majority vote of members present, in person or by proxy, at any special meeting called for the purpose or by a majority of members responding to a mail poll shall constitute authorization to The Board of Directors to spend the funds of the club for the purposes specified in the budgets. Nothing in this section shall prevent the board from making minor adjustments, in the normal course of operations, to individual categories within the approved budgets so long as such adjustments do not, in the opinion of the treasurer, violate the intent of the members when approving the budgets. The board is not empowered to transfer items between Operating and Capital budgets nor is it empowered to increase the total of either budget except by recourse to amendment as prescribed by this section or by recourse to the

procedure for emergency spending prescribed by Sections 11 and 13 of this article.

Section 5. All expenditures in excess of \$100 shall be specifically approved by The Board of Directors and all expenditures in excess of \$500 shall be specifically approved in advance by the board. Such approval shall be entered into the permanent minutes of the board. Any funds unspent at the conclusion of the fiscal year shall be carried as income items, into the budgets for the following years.

Section 6. All funds of the club shall be kept on deposit in recognized commercial banks, savings institutions or both in accounts, which may be drawn upon when and as needed for the club's purposes. Withdrawals and disbursements from these accounts shall be by check or other instrument signed by the treasurer or in his/her absence by another director authorized by The Board of Directors to do so. The board may, at any time, order an audit of these accounts and shall do so no less frequently than every three years. The treasurer shall present to the annual meeting and to all special meetings and to the board upon request a statement showing the current financial position of the club.

Article 9 – Finances (continued)

Section 7. The board of directors shall require that any person having access to the club's funds be bonded (or covered by insurance endorsement) at the expense of the club.

Section 8. The board of directors each year shall set a schedule of dues, which will produce the level of income specified in the operating budget approved by the members of the club. Such dues shall be applied equally to all members and to all associate members, except that the board is empowered to waive payment of dues by all associate members younger than a minimum age it deems appropriate. The board is not empowered to waive payment of dues by any individual member or associate member. Dues rates shall be fixed and the membership notified at least 30 days prior to the opening of the pool season. Additional dues may not be charged in the same calendar year nor may the dues schedule be changed after this notification.

Section 9. All members of the club must pay, in full, annual dues for themselves and on behalf of associate members in their households before the start of the pool season. Any member more than 30 days in arrears on the payment of annual dues shall be notified of such delinquency. If payment is not made within 15 days of such notification, the Board of Directors is empowered to expel the offending member. Such expulsion shall be accomplished by calling his/her certificate of membership and redeeming it in accordance with Section 13 of Article 2 of these by-laws.

Section 10. The board of directors also is empowered to establish guest privileges and to set a schedule of fees for such privileges. It also is empowered to set fees for any and all services rendered by the club in addition to providing the facilities to which members and associate members are entitled. Such fees shall be in reasonable relationship to the cost of the services provided. The fees shall be paid before any privilege is extended or service provided.

Section 11. In the event of emergency or circumstances unforeseen at the time the members approved the budget, The Board of Directors is empowered to spend not more than \$10,000 to assure the continued operation of the club and its facilities. The board is further empowered to commit the club to a debt of not more than \$2,500 for this purpose. Such spending and commitment must be approved by two-thirds of the directors and entered into the permanent minutes of the board. This procedure shall not apply to expenditures beyond the budgets, which reasonably could be submitted to the members as an amendment to the approved budgets in accordance with the provisions of Section 4 of this article.

Section 12. In the event of extraordinary financial obligation upon the club, the board of directors is empowered to levy an assessment upon each member not to exceed, in any year, the members' annual dues, exclusive of dues paid for associate members in his/her household. Such an assessment must be approved by two-thirds of the directors and shall be entered into the permanent minutes of the board. Such an assessment shall be due and payable 30 days after the members are notified by mail.

Section 13. Any expenditure or assessment above the limits set by Sections 11 and 12 of this article in subject to approval of the members of the club at the annual meeting, at a special meeting called for that purpose or through a mail poll.

Section 14. Members shall be responsible for the payment of all charges and liabilities arising out of their use of the club's property or facilities or from the use of the property or facilities by associate members in their household or by guests admitted to the club property on their behalf. This responsibility shall include, but not be limited to, repair or replacement of property or equipment damaged or destroyed, whether by accident, negligence or otherwise. In the event of a dispute over the amount or the appropriateness of such charges and liabilities. The Board of Directors shall make the final determination through due process.

Section 15. The board of directors in empowered to expel any member who refuses or fails to pay any duly imposed assessment, fee, charge or liability. In such event, the board shall establish a procedure similar in nature to the one prescribed by Section 9 of this article for non-payment of dues and such procedure shall be applied equally to all members in like situation.

Article 10 – Enactment and Amendment of these Bylaws

Section 1. These by-laws shall become effective 10 days after approval by two-thirds of the registered members of the club. Upon becoming effective, these bylaws shall supersede all previous by-laws and existing rules of the club, except that The Board of Directors is empowered to provide for an orderly transition to the provisions of these by-laws in situations where immediate implementation would be unreasonable or result in a condition that would interfere with the normal operation of the club. The board is further empowered to correct, without recourse to the amendment procedure established by Section 3 of this article, any faults of language or other impediment to the effectiveness of these by-laws. In any event, these by-laws shall become fully effective not later than

the next annual meeting after their adoption. Which meeting shall be governed by their provisions.

Section 2. Each director and officer holding office on the effective date of these by-laws shall be confirmed in his/her office and shall continue to hold it as if he/she had been elected under the provisions of these by-laws.

Section 3. Once fully effective, these bylaws may be amended or changed by a two-thirds vote of members present, in person or by proxy, at an annual meeting or at a special meeting called for that purpose. They may not be amended or changed by a mail poll.

Section 4. All members shall be entitled to a copy of these by-laws and any amendments thereto by request.

Section 5. Invalidation of any article, section or part of these by-laws by any means including, but not limited to, legal action or fault in the content thereof. Including fault introduced through amendment shall not invalidate any other article, section or part of these by-laws.