

By-Laws of Swan Lake Swim Club (revised 2009)

ARTICLE I NAME

The name of the corporation shall be Swan Lake, Inc., hereinafter referred to as the corporation.

ARTICLE II OBJECT

The purpose of this corporation is to operate a swimming pool and provide an area for recreation for the benefit of the members of the corporation on a nonprofit basis in Baltimore City, State of Maryland.

ARTICLE III DEFINITION OF TERMS

The following terms are used throughout this document:

- Active member: a member whose dues are paid up, is not currently suspended, or has not withdrawn.
- Annual meeting: a meeting for all active members that is held near the end of the pool season (see Article IX).
- Associate member: member who does not own stock (see Article VIII).
- Board: Board of Trustees.
- Full-share member: stock-owning member (see Article VIII).

ARTICLE IV BOARD OF TRUSTEES COMPOSITION

The corporation shall have a Board of Trustees consisting of not less than five (5) nor more than twelve (12) active Full-share members. In addition, up to five (5) active Associate members or Full-share members may be appointed by the President, subject to majority approval by the Board, to serve a one-year term as a nonvoting Auxiliary member of the Board. An Auxiliary member cannot serve as an officer or as chair of any of the Board committees.

ARTICLE V ELECTION OF BOARD OF TRUSTEES

Section 1. Terms of Board members

Each Board position runs for a three-year term. Board members are elected by the active full-share members at the annual meeting. Board members are elected to serve either for three years, until their successors have been chosen, or to finish out the three-year term of a vacant position on the Board.

Section 2. Nominations committee

Prior to the annual meeting of active full-share members the Board of Trustees shall appoint a nomination committee of five (5) active members of the corporation, none of whom shall be members of the Board. The nominating committee shall select a list of candidates for the Board, and place their names in nomination at the annual meeting. The names of the candidates shall be posted ten (10) days prior to the annual meeting.

Section 3. Nomination from the floor

Further nominations of Board candidates may be made from the floor of the annual meeting. Any candidate nominated from the floor shall be present or shall have indicated his/her intention to accept the nomination.

ARTICLE VI RESPONSIBILITIES OF BOARD OF TRUSTEES

Section 1. Initial meeting of the Board

Each year the Board shall have a meeting as soon as practicable following the annual meeting. At this meeting the Board shall elect from its members the officers of the corporation, which consists of President, First Vice-President (Administrative), Second Vice-President (Pools and Grounds), Secretary, and Treasurer, all of whom shall serve for one year without monetary compensation. The officers of the Board shall hold office until the end of the first meeting of the Board of Trustees following the annual meeting of the corporation.

Section 2. Additional offices

At any time the Board may create additional offices that are deemed necessary, and make appointments to such offices from its members through majority vote, and may hold office at the pleasure of the Board.

Section 3. Filling Board vacancies

At any time the Board may appoint an active full-share member to fill any vacancy on the Board to serve until the next annual meeting. Such appointments require a majority vote of the Board.

Section 4. *Board meeting guidelines*

- (a) The Board shall meet at least once a month from March through September and at such other times and intervals that they deem necessary.
- (b) The Board may from time to time establish by resolution a schedule of meetings and rules of conduct thereof.
- (c) Special meetings of the Board may be called by the President upon the request of two (2) Board members.
- (d) Notice of the regular monthly and the special Board meetings shall be made to each Board member by the secretary as far in advance as possible before the date of the meeting.
- (e) Board members are expected to attend all Board meetings; absence from at least three (3) meetings in a year shall be cause for removal from the Board at the discretion of the remaining Board members.
- (f) One-half (1/2) of the current members of the Board shall constitute a quorum.
- (g) Any Board member may initiate an e-mail discussion of Board business by sending a message to the entire Board.
- (h) After a discussion has been initiated the President shall decide if a vote is to be taken by e-mail and, if so, set a deadline for voting.
- (i) The secretary shall be responsible for recording the e-mail votes, and for phoning Board members who do not have access to e-mail to record their votes.

Section 5. *Board decisions*

The Board shall make decisions on the basis of majority rule. However, the Board may from time to time establish by resolution alternative decision making processes.

Section 6. *Communication among Board members*

Board members shall communicate corporation business that arises to each other as soon as practicable either in person, by phone, or by e-mail. Board members are expected to check their e-mail on a regular basis, especially during the pool season.

Section 7. *Resolving tie votes*

In the event a question before the Board results in a tie vote that cannot be resolved, the President shall have the deciding vote.

Section 8. *Active membership requirement*

Any member of the Board who shall cease to hold active membership in the corporation shall automatically cease to be a member of the Board.

Section 9. *Removal of Board members*

Any member of the Board may be removed from office by majority vote of the remainder of the Board.

Section 10. *Managing the corporation*

Consistent with these by-laws the Board shall:

- (a) manage all property of the corporation and transact all the corporation's business except that no capital expenditure more than 10% of the anticipated Annual Gross Revenue shall be made by the Board, nor shall the Board obligate the corporation in any way for a period of more than one year, unless, in either case, such proposals are approved by the active full-share membership of the corporation. Such approval may be obtained at the annual membership meeting or at a special membership meeting, as specified in Article IX. (8/2017)

designate the bank or banks in which the funds of the corporation shall be deposited and determine the manner in which checks, drafts and other instruments for the payment of funds of the corporation shall be executed. However, the Board of Trustees shall always require that at least two (2) officers sign all checks, drafts or other instruments for the payment of money drawn in the name of the corporation for amounts greater than \$5000.00. (8/2017)

(c)(1) cause the books of the corporation to be audited every three by auditors selected by the Board who shall be neither trustees nor officers of the corporation. The auditors' report shall be available to the members at all times. (8/2017)

(c)(2) Post annual financial statements to the membership including, but not limited to, a Profit and Loss statement and a Balance Sheet. (8/2017)

(d) establish membership dues for the ensuing year. Dues shall be sufficient to provide for the necessary running expenses of the corporation, the proper maintenance and improvement of its property, and to guarantee payment of all indebtedness owed by the corporation during the current season. The corporation shall not be obligated to refund dues or any part thereof in the event that pool operations are required to be suspended for any period.

(e) make and amend the rules for the regulation of the use of the corporation's property.

(f) appoint and remove such officers, clerks, agents, or employees as it may deem necessary and fix their duties and compensations.

(g) fix, impose and remit penalties for violations of these by-laws and Swimming Pool Regulations.

(h) reserve the right to refuse membership to any applicant.

Section 11. *Borrowing and credit*

Nothing in these by-laws shall be construed to permit the Board to borrow or pledge the credit of the corporation without the specific approval of the full-share members at a duly held meeting, as specified in Article LX. At its discretion the Board may authorize and assign commercially obtained business credit cards for use by selected committee members or employees whose duties require the frequent procurement of supplies and equipment in support of pool operations. The Board will determine the monthly spending limits for each assigned card and periodically review whether continued use is warranted.

Section 12. *Board member indemnity*

No member of the Board may be held personally liable for the debts of the corporation (See Article XI).

Section 13. *Board Committees*

The Board shall create whatever committees it seems necessary to perform the tasks of operating the corporation.

ARTICLE VII RESPONSIBILITIES OF OFFICERS

Section 1. *Duties of the President*

The president shall convene and preside at regularly scheduled Board meetings, and shall arrange for other officers of the Board to preside at regularly scheduled Board meetings should he/she not be able. He/she shall be Administrative officer of the corporation and shall oversee the general management of the corporation. He/she shall appoint, subject to the confirmation of the board, all standing and operating committees, designation the Chairperson thereof and shall be an ex-officio member of all committees.

Section 2. *Duties of the First Vice-President*

The First Vice-President (Administrative), in the absence or disability of the president, shall act in his/her stead and convene and preside at regularly scheduled Board meetings. He/she shall assist the President in attending to business and financial operations of the corporation. He/she shall be an ex-officio of all committees.

Section 3. *Duties of the Second Vice-President*

The Second Vice-President (Pools and Grounds), in the absence or disability of the President and the First Vice-President, shall act in his/her stead and convene and preside at regularly scheduled board meetings and act for the President. He/she shall oversee and attend to the operation and maintenance of the physical plant and properties of the corporation.

Section 4. *Duties of the Secretary*

The Secretary, as designated by the President or a Vice-President, shall act in his/her stead and convene and preside at regularly scheduled Board meetings. He/she shall be responsible for keeping records of the Board actions, including overseeing the taking of minutes at all Board meetings, sending out meeting announcement, attending to the correspondence pertaining to the office, distributing copies of the minutes and the agenda to each Board member, and assuring that all corporation records are maintained. He/she shall perform other duties pertaining to his/her office as may be requested by the Board.

Section 5. *Duties of the Treasurer*

The Treasurer, as requested by the President or a Vice-President, shall act in his/her stead and convene and preside at regularly scheduled Board meetings. He/she shall keep the accounts of the corporation received by him/her in the name of the corporation in such depository as authorized by the Board. He/she shall make all financial information available to the Board and make a report at each Board meeting. He/she shall be bonded. Bills, statements and other incurred charges shall be rendered monthly by the treasurer to Board members. He/she shall perform other duties pertaining to his/her office as may be requested by the Board.

ARTICLE VIII MEMBERSHIP

All references to members in this Article apply to both full-share and associate members unless explicitly otherwise stated.

Section 1. *Classes of Membership*

There are two classes of membership:

- (a) *Full-share members* are fully vested shareholders of the corporation as described in these by-laws.
- (b) *Associate members* are non-shareholding users of the pool with limited privileges:
 - (1) The Board shall regulate the number of Associate members admitted for any year of pool operation.
 - (2) Associate members may be required to pay a separate fee for swimming lessons or for any other pool events or activities as determined by the Board of Trustees.
 - (3) By payment of their dues, Associate members acquire no voting rights nor ownership in the pool or its facilities nor any right or expectance to automatic annual renewal of their membership or change to full-share status.
 - (4) The amount of dues for an Associate membership may be scaled to family size and will substantially exceed the amount of that year's dues for Full Share member families.

Section 2. *Membership categories within the classes*

There are two membership categories for both full-share and associate members:

- (a) *Family* membership is granted to family units living within the same household (at the same address), including the following persons:
 - (5) adult partners or head of family.
 - (6) dependent children living in the household.
 - (7) dependents or other persons living in the household who shall be approved by the Board on an annual basis.
- (b) *Single* membership is granted to an adult who either lives alone or with other people who are not members.

Section 3. *Membership dues*

- (c) All members must pay annual dues in a timely fashion as determined by the Board.
- (d) Dues for all members in a specific membership category shall be the same.
- (e) The annual dues for a Full Share single membership shall be set at two-thirds ($\frac{2}{3}$) of the dues for a family membership. This applies to both full-share and associate members.
- (f) Membership Leave of Absence: In the event circumstances preclude a member's use of the club for an entire season, that member, upon written request (prior to the April 1st due date for dues) may be excused from paying dues for that season upon approval by the Board. (*updated 8/2015*)
 - 1. A \$100.00 holding fee will be charged for the privilege;
 - 2. This privilege will be permitted once;
 - 3. All member privileges will be suspended for that season; and,
 - 4. Members who do not return the following year will forfeit their share fee.

Section 4. *Dues for members joining during the pool season*

The current year's annual dues are required of new members shall be as follows:

- (a) For membership accepted prior to July 1, the full amount of the current year's dues.
- (b) For memberships accepted after June 30 but before August 1, two-thirds ($\frac{2}{3}$) of the current year's dues.
- (c) For memberships accepted after July 31 but before Labor Day, one-third ($\frac{1}{3}$) of the current year's dues.

Section 5. *Maximum membership level*

- (g) The maximum full-share membership level shall be set at 350 full-share family memberships.
- (d) The Board may adjust the maximum full-share membership level at its discretion, not to exceed the equivalent of 350 family memberships.
- (e) The Board shall set the maximum associate membership level for any given year.

Section 6. *Member Resignations*

Any member of the corporation may withdraw or resign at any time subject to the provisions of this Article, but any withdrawal or resignation must be submitted to the Board of Trustees in writing. If the written withdrawal or resignation of a member is received by the Board of Trustees prior to April 1, that member shall not be liable for the current year's dues. However, if a successor to a resigned member shall be approved by the Board of Trustees and such successor is required to pay all or a part of the current year's dues as hereinafter stated, the resigned member shall receive as a credit against his/her liability of the current year's dues paid by his/her successor.

Section 7. *Suspension policy*

- (a) Any member may be immediately suspended by the Pool Manager for violation of the Swan Lake Swimming Pool Regulations or the corporation by-laws. In the absence of the Pool Manager, a pool staff person may suspend a member for one day, informing the Pool Manager as soon as possible. The Pool Manager may then increase the length of the suspension at his/her discretion. A suspended member shall not have access to pool property except to request an appeal as discussed below. The Pool Manager shall immediately inform the Board of the suspension.
- (b) If the suspension is for more than two weeks the suspended member may appeal the suspension by notifying the Pool Manager or Board President to arrange a hearing. The hearing shall be held within one week of the request, and three Board members and the Pool Manager shall hear and act upon the appeal. The suspension shall remain in effect during the appeals process.

- (c) At its discretion the Board may take further actions beyond the suspension imposed by the Pool Manager. Such actions may include adding additional time to the suspension, expulsion, or imposing any other appropriate measures (e.g. restitution for damaged property). Such actions require a three-fourths (3/4) majority of a polling of the entire Board.

Section 8. *Stock Certificates*

All full-share members accepted into membership, whether family or single, as a condition of membership, shall be required to purchase a stock certificate. The cost of this stock certificate, not including any tax which may be applicable, is not to exceed two-hundred fifty dollars (\$250.00). Applicable taxes on fees and memberships, if any, shall be paid by members. All full-share members, whether family or single, are treated the same with respect to stock certificates. The total number of stocks held by members shall not exceed 400.

Section 9. *Initiation fee for new members*

All new members, both full-share and associate, shall be required to pay a nonrefundable initiation fee of fifty dollars (\$50.00).

Section 10. *Financial liability of members*

Members shall be responsible for the payment of all charges or liabilities that may be imposed upon or incurred by them or members of their family, or their guests to whom the privileges of the corporation have been extended.

Section 11. *Member indebtedness*

All members must pay their dues in a timely fashion as determined by the Board. Any member failing to pay dues or indebtedness before the 10th day of the month following that in which a statement of his/her indebtedness shall have been sent to him/her by the Treasurer shall be notified that, if such indebtedness is not paid within fifteen days thereof, the delinquent member may be suspended by the Board. Any person thus suspended shall immediately be notified in writing by the Secretary of his/her suspension, and (s)he shall cease to be a member if his/her indebtedness is not paid in full within fifteen days after the sending of such notice. The Board may, at its discretion, reinstate any member upon request and repayment of all indebtedness to the corporation.

Section 12. *Stock nullification*

Except for payment as hereinafter provided, each stock certificate shall become null and void upon the date that the holder thereof ceases to be a member for any cause. The time and manner in which the holder shall be paid the value of his/her stock shall be determined by the Board of Trustees. Stock certificate redemption shall occur in the chronological order in which the memberships terminate and as soon as payment is received from an incoming member.

Section 13. *Stock redemption*

Upon cessation of a full-share membership, an amount not to exceed the cost of the stock certificate may be recovered by the resigning member, subject to the provisions of this Article. All indebtedness owed to the corporation shall be a lien upon and charged against the stock value, and the stock may be taken over by the corporation to satisfy such indebtedness. In the event of the corporation being unable to obtain possession of the stock certificate, it may be canceled on the books of the corporation and a new certificate issued in place thereof to a newly elected member upon payment by him/her to the corporation of the current value of the stock as fixed by these by-laws. In case of the enforcement of a lien, as above herein provided, neither the signature of the holder nor the delivery of the stock shall be requisite to perfect the transfer to the corporation or to a new possessor, and the Treasurer of the corporation at the time of the transfer is hereby authorized, as the attorney of the holder of such stock, to make such transfer. Every stock certificate issued is expressly subject to the provisions of this section.

Section 14. *Non-transferability of stock*

Stock certificates shall not be transferable and shall contain an appropriate notation to that effect on the face thereof.

Section 15. *Dissolution of corporation*

In the event of the dissolution of the corporation in any manner or for any cause, and in no other event, upon the effective date of dissolution said stock certificates shall be a lien upon the proceeds of the sale of the property of the corporation after the payment of all its just debts and obligations to the extent of the current value of stock certificates as fixed by these by-laws, subject to set-off of all debts, dues and obligations owed by the holder of the corporation. After payment of all stock outstanding upon the effective date of dissolution of the corporation, the surplus remaining shall be paid and distributed pro rata among the current full-share membership of the corporation.

Section 16. *Fees and charges exclusive of taxes*

All fees and other charges mentioned herein are exclusive of taxes imposed by the Federal, State and other governmental bodies and agencies, unless herein stated.

ARTICLE LX MEMBERSHIP MEETINGS

Section 1. *Location and time*

The Board of Trustees shall determine the location and time of all meetings of the corporation.

Section 2. *Annual membership meeting*

An annual meeting of active members is to be held no later than fourteen (14) days after the official closing of the pool. Notice of the annual meeting shall be given by mail or e-mail to the members at least five (5) days in advance. The annual meeting shall be for the purpose of electing Trustees, presenting committee reports and for the transaction of any other business.

Section 3. *Special membership meetings*

The Board of Trustees may call special meetings of the corporation. Special meetings may also be called as a result of the written request by ten (10) full-share members received by the Secretary; the members' request must state the purpose of holding a special meeting. The Board shall call such a meeting within thirty (30) days. Special meetings may be held on five (5) days notice by mail or e-mail to all members. The notice shall state the purpose for which the special meeting is called, and no other business shall be transacted at the meeting.

Section 4. *Voting privileges*

Only active full-share members shall be entitled to vote at meetings of the corporation. Any full-share member may be represented by proxy if not able to attend in person. Voting may be by voice, but ten (10) members, including those represented by proxy, shall have the right to demand voting by roll call. Only one (1) vote for each stock certificate shall be permitted.

Section 5. *Quorum requirements*

Twenty (20) active full-share members present in person shall constitute a quorum at all corporation meetings.

Section 6. *Notification*

The mailing (postal or e-mail) of notices to the last known address of a member shall constitute notice.

ARTICLE X FACILITIES AND GROUNDS

Section 1. *Use of facilities by members*

All active members, both full-share and associate, shall be accorded the use of facilities subject to the rules and regulations, which shall be issued and posted within the corporation's facilities.

Section 2. *Use of facilities by Board discretion*

The Board of Trustees may, at its discretion, extend the privilege of the use of the corporation's facilities to any person or persons.

Section 3. *Terms and conditions for guests*

The Board of Trustees shall by rule fix the terms and conditions upon which guests of members may use the facilities of the corporation.

Section 4. *Member liability for damage*

Any property of the corporation broken or damaged by a member, his guest, or any person granted use of the facilities shall be promptly paid for by such member, guest or person. No person shall take any article belonging to the corporation.

Section 5. *Personal property disclaimer*

The corporation assumes no responsibility for the property of members or any guest, and members or their guests can have no claim against the corporation for loss or damage of property brought into or left in the buildings or on the grounds.

ARTICLE XI MISCELLANEOUS

Section 1. *Trustee indemnification*

Each person who acts as a Trustee or officer of the corporation shall be indemnified by the corporation against expenses actually and necessarily incurred by him/her in connection with the defense of any action, suit or proceeding in which he/she is made a party by reason of his/her being or having been a Trustee or officer of the corporation, except in relation to matters as to which he/she shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct, and he/she shall accept any sum paid for the corporation in settlement of an action, suit or proceeding based on gross negligence or willful misconduct in the performance of his/her duties.

Section 2. *Perpetual indemnification*

The right of indemnification provided herein shall be insured to each Trustee and officer referred to in Section 1 of this Article, whether or not he/she is such Trustee or officer at the time such costs or expenses are imposed or incurred, and in the event of his/her death shall extend to his/her legal representatives.

Section 3. *By-laws interpretation*

Any question as to the meaning or proper interpretation of any of the provisions of these by-laws shall be determined by the Board of Trustees.

Section 4. *Amending the By-laws*

These by-laws may be amended by a two-thirds (2/3) vote of the active Full Share members present in person or represented by proxy at any meeting of the corporation provided at least five (5) days' notice of such amendment to be given each such member.

Updated 8/2015 KHM

Updated 8/2017 KHM

