

Article I
NAME

Section 1: The name of this corporation shall be the Oak Creek Swim Club, Inc.

Article II
PURPOSE

Section 1: This corporation is formed to promote the health and general welfare of its members, and in pursuance thereof to construct, own, lease, maintain and operate recreational facilities; together with the doing of such things as are necessary, appropriate and incidental in the conduct of its activities.

Article III
MEMBERSHIP

Section 1: A membership shall consist of a family unit made up of a husband and a wife, or head of a family, parents and dependent children living in the household of the family unit. The Board of Directors shall have sole power to determine status of dependents under this section and shall rule on any special or unusual situation.

Section 2: Membership in the corporation shall consist of the following classes:

- Active members
- Inactive members
- Trial members

Section 3: **An active member** shall be one who has complied with the requirements of membership in these By-Laws, which includes members who purchased a stock certificate or paid the full initiation fee, and **payment of annual membership fees**, as well as any other requirements established by the Board of Directors. Active members have voting rights and activity privileges.

Section 4: An **inactive member shall be one who has not paid annual membership** fees by June 1 of the current season. Inactive members do not have voting rights or activity privileges.

Section 5: **An inactive member's Club membership is terminated when their annual dues remain unpaid on September 1 of the year in which they became inactive. If applicable, ownership of any associated stock certificate reverts to the corporation.**

Section 6: A Trial member is one who has paid the annual trial membership fee but who has not purchased a stock certificate or initiation fee. The Trial membership class is offered at the discretion of the Board of Directors as a non-renewable membership that expires May 1 of the year after the membership was granted. In special circumstances, the Board of Directors may waive the non-renewable status of this class of membership. The Trial member shall have activity privileges but shall not have voting rights and shall not hold office.

Section 7: The authorized active membership shall not be more than 400 members. Trial memberships shall not be more than 75 members.

Section 8: One person only shall own each membership and no membership in this swim club shall be assignable, transferable or subject to a gift or devise as provided in these By-Laws.

Section 9: In the event of the death of any member, his or her spouse shall be entitled to retain the membership as long as eligibility requirements are current, at the discretion of the Board of Directors. The privileges of the family of any such person shall be the same as the privileges of the family of any other member.

Section 10: Nothing in these By-Laws shall abrogate, impair, or change any rights, privileges, or obligation imposed upon any member at the time of his election pursuant to the By-Laws or resolutions then in effect. The Board of Directors has authority by appropriate resolution in its discretion to fix, determine, and define any such right, privilege, or obligation on any basis that is fair and equitable under the circumstances.

Section 11: The membership chairperson shall accept and consider application for membership in order received and shall receive for membership all applications in compliance with these By-Laws and requirements established by the Board of Directors.

Article IV **VOTING RIGHTS**

Section 1: Active members shall be entitled to cast one vote per active membership number so long as he is not in default in the payment of fees or indebtedness to the corporation and he shall be entitled to notice of meetings of the members.

Article V **SUSPENSION AND TERMINATION OF MEMBERSHIP**

Section 1: Once owning a stock share in the Corporation or having paid the full initiation fee, membership will continue until the member resigns, should fail to pay annual membership fees, or membership is changed by the Board of Directors as set forth in the following two paragraphs in this article. Active members who fail to pay the annual membership fees will be converted to an inactive membership until such dues are paid, at the discretion of the Board of Directors.

Section 2: An active member may, for cause and after been given an opportunity for a hearing before the Board of Directors, be placed on a suspended status for period determined by 2/3 vote of the Board of Directors, or expelled by an affirmative vote of all Directors. Cause for suspension or expulsion or for being placed on inactive status, shall consist of violation of these By-Laws or of the Club operational rules, or of conduct unbecoming of a lady, gentleman, or child.

Section 3: The Board of Directors or designee, for violation of rules or these By-Laws, may suspend any member up to seven days.

Section 4: Any member expelled shall forfeit all rights and privileges incidental to the membership and the stock certificate thereby cancelled if applicable and the Corporation shall have no obligation on account thereof.

Section 5: Active member's in good standing and owning one stock share in the Club will have their stock share purchased by the Club at its par value of \$350 when they choose to no longer be an active member.

Article VI
DUES AND FEES

- Section 1: The Board of Directors shall establish the annual membership fees no later than February 1 each year which are due and payable by May 1. Notification of annual fees shall be made to the membership by mail following said determination.
- Section 2: Capital improvements assessments may be levied for capital improvements, or for repair or replacement of major facilities. Such assessments must be approved by an affirmative vote of 2/3 of the active members present and voting at a meeting called for that purpose.
- Section 3: Members shall be responsible for the payment of all charges or liabilities that may be incurred by them or their guests.
- Section 4: The par value of each stock certificate shall remain at \$350.00.
- Section 5: New active members joining the Club will pay a non-refundable initiation fee as established by the Board of Directors at their January meeting.
- Section 6: Members of the Board of Directors shall receive a 100% reduction in annual dues each year that he or she is a member of the Board.
- Section 7: The Board of Directors has discretion to grant a one-year reduction in annual dues of up to 100% for up to three members who are appointed to serve in an ad hoc capacity.

Article VII
BOARD OF DIRECTORS

- Section 1: The management of this Corporation shall consist of a Board of five directors. Each director shall serve a term of three years. Terms of directors shall be established so than the terms of two directors will expire in any given year and, in order for this requirement to be met, terms of directors may be established for a term of less than three years.
- Section 2: Directors shall be elected from active members of the corporation. Any director who shall cease to hold an active membership in the corporation will also no longer be a director.

Article VIII
NOMINATION AND ELECTION OF DIRECTORS

- Section 1: Nomination: On or before the first day of July of each year, the Board of Directors shall appoint three active members in good standing one of which shall be a member of the Board of Directors (but not an outgoing director) who shall comprise the nominating committee. The nominating committee shall nominate the ticket of at least one active member with said member's consent, for each seat on the Board of Directors to be filled at the next annual election, and shall present a written report of its nomination to the Board who shall make the nomination report available to the members via email and post slate of candidates on the bulletin board of the corporation on or before the 20 day of July preceding the election.
- Section 2: Active members in good standing, no less than five in number, may nominate other active members, with the said member's consent. Such nomination shall be signed in writing by the

active members making same, and shall be placed in the hands of the Board on or before the July 20 preceding the election. The Board shall make these nominations available to the members in advance of the election.

Section 3: The election of the Board of Directors shall be written ballot. Each active membership shall have one vote for each vacancy on the Board of Directors. The persons receiving a plurality of the votes shall be declared elected. In case of the tie, the Board of Directors shall determine the nominee or nominees elected. Three (3) members selected by the president shall act as tellers.

Section 4: The Board shall manage the election of new directors. The election shall take place on or before the annual meeting. If the vote will take place at the annual meeting, notice of that meeting and the nominees shall be provided to all active members at least 10 days in advance of the meeting. A quorum must be present. Those eligible to vote are those active members in attendance, one vote by membership number. If the vote takes place via email, the Board will mail ballots to all active members. Ballots must be returned by the members within 14 days of being sent. The quorum requirement shall be satisfied by the receipt of properly completed ballots by the same number of members as would constitute a quorum at a meeting.

Section 5: Immediately following the adjournment of the annual meeting each year, the new Board of Directors shall meet without notice for electing from among their number a president and two vice presidents. At the same meeting, the Board of Directors shall also elect a treasurer and a secretary. At the same meeting or at any subsequent meeting, the Board of Directors shall have the power to elect such other officers as it may determine necessary. Terms for outgoing Board members shall expire on December 31 of the year elections were held, and newly elected Board members shall assume their positions on January 1 following the elections. All other officers and appointees shall serve at the pleasure of the Board of Directors.

Section 6: Limitation of terms of office:

- A. No person who has served one complete or full term as president shall be eligible for re-election to succeed him as such.
- B. No person shall be eligible to serve more than two consecutive, full three-year terms as a member of the Board of Directors.

Article IX **REMOVAL FROM OFFICE**

Section 1: Any director of the corporation may be removed from office by the affirmative vote of two-thirds of the voting members present at a special meeting called for that purpose, but only after an opportunity has been given to be heard. Any officer or employee of the corporation may be removed from office by an affirmative vote of two-thirds of the directors present at a regular or special meeting of the Board of Directors, but only after an opportunity has been given to him to be heard.

Section 2: Absence of a member of the Board of Directors for three consecutive regular meeting without prior consent of the president shall be deemed an automatic resignation.

Article X
VACANCIES IN THE BOARD

Section 1: Vacancies in the Board of Directors shall be filled by vote of the remaining directors. The directors elected to fill such vacancy shall serve until the term expires. For the purpose of reelection, such holding of office for an unexpired portion of a term shall not be construed as a term of office.

Article XI
POWERS AND DUTIES OF OFFICERS

Section 1: President: The president shall be chief executive officer of the corporation. He shall preside at all meetings of the membership of the corporation and at all meetings of the Board of Directors. He shall have the privilege of attending all meetings of all standing and selected committees of the corporation except the admissions committee, but shall be entitled to vote on any question before any such committee. He shall, with the secretary, sign all written contracts and written obligation of the corporation unless the Board of Directors shall, by appropriate resolution, designate another or others to execute contracts in the name of the corporation. He shall perform such other duties imposed on him by resolution of the Board of Directors.

Section 2: First Vice President: The first vice president shall perform the duties of the president in the absence of the president, and in addition, thereto, he shall perform such other duties as may be assigned to him by the Board of Directors. In the event a vacancy shall occur in the office of the president, the vice president automatically shall immediately succeed to the office of the president for the unexpired term. In the event the corporation should ever have more than one vice president, they shall be designated as first and second vice presidents, respectively, and the first vice president shall be senior to the second vice president in all matters.

Section 3: Second Vice President: The second vice president shall perform such duties as may be assigned to him by the Board of Directors.

Section 4: Secretary: The secretary shall give notice of all meetings to the members of the corporation and all members of the Board of Directors. He shall keep and record the minutes of all meetings. He shall be custodian of the corporate seal. He shall perform such other duties as may be assigned him by the Board of Directors.

Section 5: Treasurer: The treasurer shall have custody of all funds, securities, valuable papers and other intangible assets of the corporation. He shall provide and maintain full and complete records of all the assets, liabilities, income, and expenses of the corporation. He will prepare and submit at each regular meeting of the Board of Directors a financial statement of the condition of the corporation as of the first day of the preceding month, including the book value of each share of stock. He shall prepare or cause to be prepared such tax reports as local, state and federal agencies may require. The treasurer shall be bonded and the corporation shall pay premiums and fees thereof.

Article XII
POWERS AND DUTIES OF THE BOARD

- Section 1: The Board of Directors shall have the power to make rules and take such action, consistent with these By-Laws nor contrary to Law, as in its judgment may be necessary or desirable for the welfare of the corporation, including the power to employ a club manager or staff, as becomes necessary. The Board may delegate specific responsibilities to the Club Manager or to Staff.
- Section 2: The Board of Directors shall make an annual written report including an audited financial statement, to membership at the annual meeting of members.
- Section 3: The Board of Directors may establish and/or abolish such standing or special committees, as it may deem desirable.
- Section 4: The Board of Directors shall not expend cash and incur obligation in excess of \$5000.00 for capital improvements during the period between consecutive annual meetings, without the express approval of a majority of the members present at a special meeting.

Article XIII
MEETING OF THE BOARD

- Section 1: Regular meetings: The Board of Directors shall meet at least four times a year, and at such other times, they may deem necessary. The first meeting of the new Board shall be held within thirty days after the Board assumes office. Other meetings shall be held upon the request of the president or at the request of any three members of the Board.
- Section 2: Notice of meetings: the secretary shall give notice of all meetings of the Board of Directors, to each director at least three days prior to such meeting.
- Section 3: Quorum: Three members of the Board shall constitute a quorum.
- Section 4: The requirement of a meeting may be satisfied by any means that comply with the intent of this Article, that the meetings be properly called, that all directors have requisite notice of a meeting, and that a quorum participates in all decisions. This can include, but is not limited to a physical meeting, a conference call, or use of the Internet.

Article XIV
MEETINGS

- Section 1: Annual meeting: The annual meeting of the members of the corporation shall be held the first month that the club is open to its members, at such time and place, as the Board of Directors shall determine.
- Section 2: The secretary may call special meetings of the members at any time by the direction of the Board of Directors. The secretary shall call special meetings of the members within thirty days of written request for such a meeting made by at least ten members.
- Section 3: Notice of meetings: Notice of all meetings shall be given by mail or other means that provide documentation of actual notice of the meeting, to the members, by the secretary at least ten days prior to such meetings except in case of special meetings called by the directors. Mailing of notice

to the last known address shall constitute sufficient notice. Notice of a special meeting shall state the purpose for which the meeting is being called.

Section 4: Quorum: Ten percent of active members present and in person shall constitute a quorum at any meeting of members.

Article XV
DISSOLUTION

Section 1: This Corporation may be dissolved by the affirmative vote of two-thirds of the active members present and voting at a meeting called for that purpose.

Section 2: In the event of dissolution of this Corporation in any manner or for any cause, the assets of the corporation shall be sold and the proceeds of such sale, after payment of all just debts and obligation of the corporation, distributed pro-rata among the active members. Each member share, however, is subjected to the settling of all debts, dues and obligation owed to the corporation by such member.

Article XVI
MISCELLANEOUS

Section 1: Each person who acts as a director or officer of the corporation shall be indemnified by the corporation against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of his being or having been a director or officer of the corporation, except in relation to matters as to which he shall be adjudged in such action, suit or proceedings to be liable for gross negligence or willful misconduct in the performance of his duties. The right of indemnification provided herein shall insure to each director or officer referred to in the following paragraph, whether or not he is a director or officer at the time such costs, or expense are imposed or incurred; in the event of his death, the right shall be extended to his legal representative.

Section 2: The Corporation assumes no responsibility, and members or their guests can have no claim against the corporation, for the property of any members, or any guests, which is brought upon or left upon corporation property.

Section 3: The Corporation assumes no responsibility and member or their guests can have not claim against, injury or damage to any person on corporation property.

Section 4: These By-Laws may be amended by the affirmative vote of two-thirds of the active members present and voting at any special or annual meeting if at least five days' notice of such amendment shall be given by mail to each member.

Section 5: The Board of Directors will grant authority to the Club Manager to cause the rules and regulation of the Club to be observed.

Section 6: The Corporation may employ members.

Update 6/5/16