

BYLAWS

KEMP MILL SWIMMING CLUB, INC.

Revised March 19, 2008

ARTICLE I - NAME

The name of the organization shall be the Kemp Mill Swimming Club, Inc., (hereafter referred to as the "Club").

ARTICLE II - PURPOSE

The purpose of the Club shall be as stated in its Charter and any amendments to it, which, generally, is to construct and operate swimming pool facilities and other related recreational facilities within Montgomery County, Maryland, all for the promotion of health, welfare and pleasure of its members and their invitees. The Club will sponsor a Montgomery County Swim League (MCSL) approved swim team for children ages four through 18. This team will compete against other teams in the MCSL each summer. No action of any kind taken by the Club either through the Board of Directors, committees, employees, agents or members in the performance of Club duties shall be based in any degree on considerations of race, religion, national origin, or sexual orientation.

ARTICLE III - GOVERNMENT

Section 1 - The Club shall be managed by a Board of Directors (hereafter the "Board"), fifteen in number, including the President, and the Secretary-Treasurer. This number includes the past president, serving in a non-elective capacity. Should the past president be an elected member of the Board, be ineligible, or otherwise declines to serve, the number of the Board shall be fourteen.

Section 2 - The President and the Secretary-Treasurer shall be the sole officers of the Club.

Section 3 - The President, the Secretary-Treasurer, and each director shall be a member of the Club, and shall be automatically removed from office when he or she ceases to be a member. However, relatives by blood or marriage (at least 21 years of age) of a family member, residing permanently in his household, may hold any office while he continues to be a member,

Section 4 - The Board, by a two-thirds vote, may remove the President, the Secretary-Treasurer, or any director from office for failure to attend three (3) consecutive meetings of the Board. Removal for any other cause shall be by majority vote of the membership represented at a regular or special meeting of the membership,

Section 5 - Any officer or member of the Board may resign his or her office for good reason by

notifying the Board in writing,

Section 6 - By a vote of a majority of the remaining members, even though less than a quorum, the Board shall fill any vacancy, no more than 30 days after the vacancy occurs, including those of the President, the Secretary-Treasurer, and any director, until the annual meeting, at which time the membership shall fill the unexpired term, if any, by regular election.

ARTICLE IV - DUTIES OF THE PRESIDENT, THE SECRETARY-TREASURER AND DIRECTORS

Section 1 - The Board shall transact all Club business, including but not limited to:

- a. Approval of facilities and their construction, and payment therefore;
- b. Making rules and regulations for the use of Club property except as otherwise provided herein;
- c. Appointment and removal of such clerks, agents, or employees as it may deem necessary, and the fixing of their duties and compensation;
- d. Approval of applications for membership;
- e. Selection of depositories for Club funds;
- f. Provision for an annual audit;
- g. Provision for a corporate seal.

Section 2 - Nothing in these by-laws shall be construed to permit the Board to spend, borrow, or pledge the credit of the Club for the purchase of fixed assets in excess of \$5,000 without the specific approval of the membership, except as is necessary in the initial purchase of land, construction and maintenance of the swimming pool, and immediately related facilities.

Section 3 - The Board shall meet in January, March, and at least once per month from May through September of each year, and at such other times as it may deem necessary. The President may call a special meeting of the Board at any time, and shall do so at the request of any other director. The Board shall keep the membership currently informed regarding all significant actions.

Section 4 - A special meeting of the Board must be called by the President within ten days of the receipt of a written request, stating the purpose thereof, and representing at least twenty-five members.

Section 5 - Two-thirds of the Board shall constitute a quorum; and a majority of those present and voting shall decide all questions, except as otherwise specifically provided elsewhere in these by-laws.

Section 6 - The Board may invite any person to attend a Board meeting for the purpose of enhancing the conduct of corporation business.

Section 7 - The President shall be Chairman of the Board and Chief Executive Officer of the Club, and shall be charged with the implementation of the by-laws and the general welfare of the membership. In carrying out the responsibilities of the office, the President shall oversee the actions of the Secretary-Treasurer, the committees and directors and shall issue a written report to the general membership of the state of the Club, including its financial condition and proposed amendments to the by-laws, not later than ten days prior to the Club's annual meeting,

Section 8 - The Director Plant Maintenance and Operations shall be responsible for the operation and maintenance of the physical plant and appurtenances of the pool. The Director of Plant Maintenance and Operations shall act as President of the Club in the event of a temporary absence or incapacity of the President. In the event of a vacancy in the office of President, the Director of Plant Maintenance and Operations shall act as President until the office is filled in accordance with **Article III, Section 6**.

Section 9 - The Director of Personnel shall be responsible for the recruitment and recommendation to the Board for hire of all Club personnel, including the manager, assistant manager, lifeguards and all other operating employees. The Director of Personnel shall be responsible for supervising the Club's personnel in the performance of their duties and shall recommend to the Board discharges, promotions and other personnel actions. The Director of Personnel shall be responsible for the development and recommendation to the Board of the annual payroll budget. In the event that the Director of Plant Maintenance and Operations shall accede to the office of President in accordance with **Article IV, Section 8**, the Director of Personnel shall act as Director of Plant Maintenance and Operations,

Section 10 - The Director of Membership shall be responsible for the recruitment and retention of members. These responsibilities include preparation and supervision of marketing plans, the handling of all inquiries regarding new and current members, and the issuance of annual membership cards or other valid evidence of membership. The Director of Membership shall maintain records of membership and shall be responsible for determining who is a member for purposes of admission to the pool and use of Club facilities. The Director of Membership's determination regarding membership are subject to review by the Board on appeal by an aggrieved party. In cooperation with the Secretary-Treasurer, the Director of Membership shall effect the collection of delinquent dues, fees, and assessments.

Section 11 - The Secretary-Treasurer shall have custody of all funds, securities, valuable papers, and other tangible assets of the Club. He or she shall provide and maintain full and complete records of all the assets and liabilities of the Club. The Secretary-Treasurer shall be responsible for the presentation of an up-to-date financial report for each Board meeting. The Secretary-Treasurer shall prepare and submit to each annual meeting of the membership a detailed financial report balance sheet, and itemized budget estimate covering the ensuing year's operations. The financial report and balance sheet shall show the condition of the Club as of the last day of the past fiscal year (which shall be the calendar year). He or she shall prepare or shall have prepared such tax returns as local, state, and federal agencies may require.

Section 12 - The Director of Swim Team Operations shall be the Club's representative to the Montgomery County Swim League (MCSL) and shall ensure that the Club's swim team competitions are carried out in accordance with the MCSL rules. He or she shall be responsible for recruitment, selection, training and retention of officials for the Club's swim team events.

Section 13 - The Director of Communications shall prepare and maintain full minutes of all membership and Board meetings and maintain the corporate seal. The Director of Communications shall also give proper and timely notice of all meetings. All correspondence for the Board, including e-mail announcements, as directed by the President shall also be part of the duties of this office, including the coordination and mailing of the annual renewal package.

Section 14 - The outgoing President shall, upon expiration of his or her term, become a voting member of the Board for a period of one year. This shall not preclude his or her being elected to the Board as a regular member as provided in **Article V**.

ARTICLE V – ELECTIONS

Section 1 - Elections shall be held at the annual meeting.

Section 2 - Notice of the annual meeting shall include: The Nominating Committee report with nominations for the office of President and Secretary-Treasurer, and a slate of candidates for directorships terminating at that meeting or those temporarily filled as provided by Article III, **Section 6**; and a slate of candidates for the Nominating Committee vacancies which are to be filled at the annual meeting. Nominations by members may be submitted to the Secretary-Treasurer no later than 3 days prior to the annual meeting. Each nomination must be in writing and must indicate acceptance by The nominee.

Section 3 - Candidates receiving the greatest number of votes for each office shall be elected.

Section 4 - The President, the Secretary-Treasurer, the Director of Plant Maintenance and Operations, the Director of Personnel, the Director of Membership, the Director of Communications, and Director of Swim Team Operations shall be elected for one (1) year. After current directors-at large (elected as of March 2007) terms are completed, all future at large positions shall have a term of two years.

ARTICLE VI – COMMITTEES

Section 1 - Nominating Committee

- a. The Nominating Committee shall consist of five (5) persons, four (4) of whom shall be elected at the annual meeting of the corporation and the fifth selected each year by the Board from among its own membership to serve as Chairman.
- b. It shall be the duty of the Nominating Committee to nominate a slate for the election of officers, and directors, and members of the Nominating Committee whose terms expire at

the annual meeting. Three (3) members of the Committee shall constitute a quorum.

- c. The term of members of the Nominating Committee shall be two (2) years: Provided, that two members shall be elected each year.
- d. Whenever the number of members on the Nominating Committee falls below three (3), vacancies shall be filled by the remaining members of the Committee until the next annual meeting, at which time the members shall fill the unexpired term, if any, by regular election. If the Chairmanship of the Nominating Committee shall become vacant, a new Chairman shall be selected by the Board from among its own membership.

Section 2 - The President shall appoint such other committees as he or she deems necessary for the Club's efficient operation and he or she shall designate the chairman of each.

ARTICLE VII - MEMBERS

Section 1 - The total number of non-voting members shall not exceed 500.

Section 2 - Stockholder-members, non-voting members, trial members and renter members shall be entitled to use the facilities of the Club subject to the provisions of these by-laws and the operating rules adopted by the Board.

Section 3 - For purposes of annual dues, a single membership shall consist of an individual adult.

Section 4 - For purposes of annual dues, a double membership shall consist of at least one adult and one other member of the household who use the pool.

Section 5 - For purposes of annual dues, a family membership shall consist of at least one adult and two or more members of the household who use the pool

Section 6 - A trial membership, shall be available subject to the following conditions:

- a. This category of membership shall be limited to one swim season and shall be available to all persons qualified for full membership, except former members who have sold, assigned or otherwise transferred their membership within the past two calendar years. However, under special circumstances, the Board may extend a trial membership for a period not to exceed one additional swim season.
- b. The fee shall be 125% of the membership dues, for the applicable class, rounded to the next higher multiple of \$5.00.
- c. Trial members shall not have the privilege of voting or of holding office.
- d. Trial applications may be received at any time, but shall be voted on by the Board only between May 15th and September 10th of each year in order to give a priority to those persons seeking full membership.

Section 7 - A renter's membership shall be available to persons who occupy a home subject to the following conditions:

- a. This category of membership shall be limited to two swim seasons. However, under special circumstances, the Board may extend the membership for an additional swim season.
- b. The fee shall be 125% of the membership dues for the applicable class, rounded to the next higher multiple of \$5.00.
- c. Renter members shall not have the privilege of voting, or of holding office.
- d. The Board may terminate a renter membership by giving notice no later than 15 days prior to the start of a swim season.
- e. The Board may require proof of tenancy of an applicant for this category of membership.

Section 8a - Stockholder-membership represented by one share of the Club's stock shall be acquired by payment of the following amount:

1. \$325, where the deposit for stockholder-membership was accepted through February 15, 1961.
2. \$375, where the deposit for stockholder-membership was accepted after February 15, 1961 and through November 9, 1961.
3. \$425, where the deposit for stockholder-memberships accepted after November 9, 1961 but before July 1, 1971.
4. \$450, where the deposit for stockholder-membership was accepted on or after July 1, 1971, but before March 26, 1980.
5. \$300, where the deposit for stockholder-membership was accepted on or after March 25, 1987, but before March 28, 1997.
6. \$400, where the deposit for stockholder-membership was accepted on or after March 28, 1997.

Section 8b. - Non-voting membership shall be acquired by payment of a fee of \$250 where the fee for membership was accepted on or after March 26, 1980, but before March 25, 1987.

Section 9 - Upon full payment of the deposit required for ownership of one share of the Club's stock by a stockholder-member, the President and the Secretary-Treasurer jointly, shall forthwith issue a certificate to the stockholder-member representing such ownership.

Section 10 - The Board may offer a deferred payment plan no less stringent or binding than as follows:

- a. The applicant for stockholder-membership shall pay a minimum of \$200 toward the purchase of one share of the Club's stock plus the annual dues prior to having access to the facilities;
- b. The applicant for stockholder-membership shall pay the balance due upon one share of the Club's stock, prior to the start of the succeeding swim season;
- c. If the applicant fails to comply with the payment schedule, the application may be deemed cancelled and the amount previously paid is not refundable.

Section 11a. - A stockholder-member desiring to voluntarily terminate membership, transfer or assign his or her stock shall give written notice of that fact to the Board and will be allowed to endorse their share to an applicant eligible for membership and acceptable to the Board, contingent on the payment of a transfer fee of \$75. The Club will not maintain a list of these members nor will it act as an agent to sell this share of stock for members who purchase shares after March 2006.

Section 11b. - Where the deposit for non-voting membership was accepted between March 26, 1980, and March 24, 1987, both dates inclusively, such membership shall be terminated by giving notice to the Board, or by failing to pay annual dues or any other amount due the Club, unless waived as hereafter provided. On or before the next January 1st following the failure to pay dues or other amount due, the Board shall send a notice of termination by certified or registered mail to the last known address of the non-voting member. The non-voting member shall be reinstated if payment of all amounts due the Club (unless waived) are made prior to the start of the next swim season.

Section 12 - If a stockholder-member or non-voting member is leaving the area for a period not to exceed 3 years, his or her membership privileges may be assigned to persons renting his or her home on his or her request and upon approval of the Board, provided that the member shall continue to be responsible for all financial obligations such as dues, assessments, damage, etc.

Section 13 - Any member, or anyone in his or her household, may, for cause, and after an opportunity for a hearing before the Board, have his or her rights and privileges of membership, including access to the Club's facilities, suspended or terminated. Suspension shall be by vote of two thirds of the Board and shall not exceed one swim season. Termination of membership shall be by vote of three-fourths of the Board. Cause for suspension or termination includes violation of these by-laws or the operating rules of the Club, or any conduct which results in destruction of Club property or the property of any individual member or invitee, or which disrupts the pool's operation or creates a safety hazard.

Section 14a. In the event termination of the rights and privileges of a stockholder-member as provided in the preceding section, the amount currently being charged for membership, less a \$50 charge, shall be returned to the member and his stock certificate canceled. Funds returned under this **section** shall be subject to deductions for unpaid dues, assessments and other charges, if any, in accordance with **Article X**.

Section 14b. - In the event of termination of the rights and privileges of a non-voting member,

whose deposit was accepted on or after March 26, 1980, the membership fee shall be forfeited. Such a member shall remain liable for any amounts due the Club.

ARTICLE VIII - MEMBERSHIP MEETINGS

Section 1 - The annual general membership meeting shall be held in March, at a time and place designated by the Board.

Section 1 - A special meeting may be called by the President at any time and shall be called by him on the written request of not less than 10% of the stockholder-membership of record at the time of the request.

Section 3 - At least 10 days before the date of any annual or special meeting, the Director of Communications shall send a written notice to each stockholder-membership at the address appearing in the records of the Club. For special meetings and other than routine business items for annual meetings, the notice shall describe the purpose of the meeting.

Section 4 - Ten days prior to any annual or special meeting, the stockholder-membership rolls of the Club shall be closed and the list of stockholder-members eligible to vote shall be prepared.

Section 5 - Each stockholder-membership represented at a meeting shall have one vote. A proxy must be in writing and designate another stockholder-member who will then be eligible to cast that vote.

Section 6 - At any meeting, representation by 10% of the stockholder-membership shall be a quorum. A quorum shall be required to transact business, but a lesser number may adjourn to a specified time and place. A majority of stockholder-members represented shall decide all questions except as specifically provided elsewhere in these by-laws.

ARTICLE IX - PROPERTY AND FINANCES

Section 1 - Real property may not be conveyed or assigned, except after approval of two-thirds of the stockholder-membership present and voting at a meeting specially called for the purpose.

Section 2 - The funds of the Club shall be deposited only in national banks, state banks, trust companies or savings and loan associations, operating in accordance with the laws of the State of Maryland, and only in an institution in which Club deposits are fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

Section 3 - All funds of the Club shall be deposited to its credit and in its corporate name in such qualified depository or depositories as the Board may from time to time by written resolution designate, and shall be so deposited within seventy-two hours of their receipt; provided, however, that receipts in the aggregate of \$100 or less need not be deposited more often than once each week.

Section 4 - All disbursement of funds of the Club shall be upon signature of two of the following: The President, the Secretary-Treasurer, the Director of Plant Maintenance and Operations, the Director of Personnel, the Director of Communications, and the Director of Membership; provided, however,

- a. that only the signature of one of the foregoing officer and director shall be required to withdraw funds from the payroll account or for expense items less than \$1001,
- b. that the Board may by resolution change the threshold (not to exceed \$1,000) below which the signature of one designated officer or director (rather than two), is required to withdraw funds to pay for the Club's expenses, and
- c. that the Board may by resolution provide for the establishment and replenishment of a petty cash fund of not exceeding \$200 for postage and for defraying expense items of the Club in amounts of \$50 or less.

Section 5 - The funds of the Club may be invested only in readily convertible obligations of the United States Government. Funds may not be loaned to or invested with any officer, director, or member of the Club, or to or with any other person, agency, or governmental instrumentality.

Section 6 - The accounts of the Club shall be audited or reviewed annually, pursuant to a board of directors vote, by an independent certified public accountant. The report of this audit is to be presented to the annual meeting.

ARTICLE X – DUES, ASSESSMENTS AND FEES

Section 1 - Membership dues and fees shall be sufficient to provide for the necessary operating expenses of the Club, and the proper maintenance and improvement of the facilities.

Section 2 - The Board is authorized to establish a schedule of guest fees.

Section 3a. - Annual membership dues shall be set by the Board.

Section 3b. - The Board may waive annual dues in whole or in part in the following circumstances:

- (1) Upon the request of a member based upon severe financial hardship;
- (2) As a special promotion which is part of a bona fide program to attract new members;
- (3) Upon the request of a member, for reasonable cause, that membership privileges be suspended. However, such suspension and waiver of dues shall not exceed three years.

Section 4a. - Membership privileges, including entry use of the facilities, shall be suspended unless annual dues, assessments and any other financial obligations due and owed to the Club are paid prior to the start of each swim season. Membership privileges may be restored upon

payment of all amounts due the Club.

Section 4b. - All unpaid dues, fees, assessments or other financial obligations owed to the Club shall be a lien against the stockholder-membership deposit.

Section 5 - A member shall be responsible for the payment of all charges and liabilities imposed upon or incurred by persons in the member's household to whom membership privileges have been extended or by guests of the member.

Section 6 - Assessments shall not be levied except by a majority of the membership represented at any regular or special meeting.

Section 7 - Annual dues for the President, Secretary-Treasurer, Director of Plant Maintenance and Operations, Director of Personnel, Director of Membership, Director of Communications, and Director of Swim Team Operations, are waived for the year during which they serve in office. This waiver is automatically canceled when any of the above who resign from their office or directorship or are removed from their office or directorship in accordance with these by-laws.

ARTICLE XI - GENERAL

Section 1 - Copies of the organization papers of the Club, its by-laws, and any amendments thereto, and the transfer books of the Club, shall be preserved in a place of safekeeping by the Secretary-Treasurer. Returns of elections and proceedings of all meetings of the directors and members shall be recorded in the minutes. The minutes of all meetings shall be signed by the President or Director of Communications or by one acting in their place.

Section 2 - There shall be no dividends to members.

ARTICLE XII - AMENDMENT TO BY-LAWS

These bylaws may be amended by the affirmative vote of two-thirds of the voting membership who are present in person or via proxy at a regular or special meeting, only after written notice describing the proposed amendment has been served on all members at least ten days prior to the meeting.