

DARNESTOWN SWIM & RACQUET CLUB



RULES AND REGULATIONS

INTRODUCTION

Club rules are established to provide for the safety and enjoyment of the Club by all its members. The intent of the rules is to protect each member from potential hazards and to assure that one member's use of the Club does not interfere unreasonably with another member's use of the Club.

These rules may be changed by majority vote of the Board of Directors.

GENERAL

1. While on the DSRC premises, all members and guests are expected to be appropriately attired and to conduct themselves in a manner not offensive to other members and guests.
2. The facilities may be closed due to unsafe or inclement conditions at the discretion of the Pool Manager and the Board of Directors.
3. Management will not assume responsibility for loss, damage or theft of personal property.
4. Alcoholic beverages may not be consumed on Club property except at adult only events and other social events designated by the Board of Directors, nor shall any person possessing or suspected of being under the influence of alcohol, narcotics, or other mind-altering drugs be admitted to the Club. The consumption of alcoholic beverages by anyone below the legal drinking age is strictly forbidden. No glass containers of any kind may be brought into the Club.
5. Pets are not permitted on Club property.
6. The Manager shall have the authority to enforce the rules and may eject from the Club premises for a minimum of one (1) day any person/persons failing to comply with the rules. The Manager is required to report any ejections to the President on the same day.
7. Members who have not met their financial obligations to the club shall not be permitted to use any of the Club facilities.
8. Portable music devices used by members on the Club grounds are for their enjoyment only. Anyone disturbing other members will be denied the use of such equipment.
9. Soliciting on the premises must have prior approval of the Board of Directors.
10. Lost articles must be claimed within fifteen (15) days. Any articles not claimed will be disposed of at the discretion of the Board of Directors.
11. Any athletic team, other than those competing against a DSRC team, must be comprised entirely of DSRC members in order to use the facilities for practice or competition, unless negotiated by either the Pool or Tennis Director and approved by the Board of Directors.
12. The formation of athletic teams representing DSRC must be approved by the Board. The days and times the facilities may be used by organized DSRC athletic teams will be determined by the Board.
13. Tennis and/or swim lessons will be available to DSRC members only. Lessons provided to guests must be requested in writing and approved by the Board of Directors. Lessons given at DSRC will be given by designated DSRC personnel only.
14. DSRC Tennis Court usage is for members only and at your own risk at all times. Anyone with a health condition should consult their

doctor prior to playing any racquet sport on the courts. All DSRC Board Meeting minutes will be available on the club website (www.dsrclub.com).

GUESTS

1. Guests must be accompanied at all times by a DSRC member who is responsible for the conduct of the guests. A member family is limited to six (6) guests on the premises at any time. The member must register the guest(s) in the guest logbook.
2. Members shall be responsible for informing guests of the rules and regulations of DSRC and ensuring the guests abide by said rules and regulations. A member shall be liable for any damages incurred by their guest(s). Violations of rules and regulations by guests may result in their ejection from the premises and forfeiture of all guest privileges.
3. Guest Fees:

Individual	\$5.00
Family	\$10.00

DSRC staff will not accept cash payment for guest fees. Guests must be recorded in the guest logbook and all guest fees will be billed to the members on a monthly basis to their online membership account and should be paid in a timely manner.
4. A neighborhood guest is limited to ten (10) visits per summer season, exclusive of member-guest tennis tournaments.
5. Out-of-town house guests using the Club for longer than four (4) weeks must be registered with the Membership Director or General Manager and must be listed on the members family registration form. The rate for one house guest will be \$3.00 per day, with a maximum of \$50.00, and for a house guest family (two or more) \$20.00 per week, with a maximum of \$100.00.

POOL RULES

1. Bathing suits will be worn by everyone using the pool.
2. All persons shall comply with the instructions of lifeguards and the Manager. Disagreements with instructions that cannot be resolved satisfactorily should be brought to the attention of the Board of Directors. Until the disagreement is resolved by the Board, the Pool Manager's ruling stands.
3. The Manager is authorized to modify these rules in any situation where such modification is required for the protection of members' health and safety.
4. Unless otherwise designated by the Manager, pool hours will be from 11:00 a.m. to 9:00 p.m., daily, including weekend, and holidays. While Montgomery County Public Schools are in session, weekday pool hours will be from 3:00 p.m. to 9:00 p.m. except when there is school the next day, Sunday through Thursday, the pool will close at 8:00 p.m.
5. **No food (including chewing gum) or beverages, or food or beverage containers may be brought into the pool or deck area.** Food and beverages may be consumed only in the areas specifically designated and the pavilion.
6. No smoking is permitted at DSRC, we are a non-smoking facility.
7. No person with any open wound(s), bandages(s), infection(s), contagious disease or any condition otherwise determined by the Manager to constitute a health hazard shall utilize the pool.
8. Children who are not toilet trained shall wear regular diapers and rubber pants with tight fitting, elasticized waist and legs while using the pool. Disposable diapers are not permitted.
9. Any child under 12 years of age must be accompanied on the premises by an individual at least 14 years of age, who shall be responsible for them.

10. Swimmers must be able to meet the following requirements in order to be permitted to swim in diving well unaccompanied.:

AGES 9 AND UNDER

Must swim one length of the pool (25m) and tread water for one minute

AGES 10 – 12

Must swim one length of the pool (25m) and tread water for two minutes.

11. Everyone under 16 years of age shall clear the pool for 15 minutes every hour, during which time **Adult Swim** will be held.
12. No person shall climb upon or obstruct the lifeguard chairs, nor converse with guards on duty, except on matters pertaining to the immediate functions of the guards.
13. The pool will immediately be cleared of all people in the event of any emergency. The emergency will be signaled with three (3) blasts of the guard's whistle.
14. When the diving board is in use, divers shall mount the board one at a time, dive straight off the board, and swim directly to the nearest side and get out. These same rules apply to slide usage, with one person on the ladder to the slide at a time.
15. No diving shall be permitted from the Main Pool sides (2½ feet through 4 feet areas).
16. No running, horseplay, pushing, wrestling, ball playing, or conduct creating undue disturbance is allowed within the pool enclosure.
17. No swimming aids or toys will be permitted in the Main Pool, unless they are approved prior to use by the Manager.
18. Use of the Kiddie Pool is restricted to children 5 years of age or younger. Such children must be continuously supervised by a person 14 years or older
19. The swim team may close the entire pool to DSRC members for purposes of swim team meets. The dates of these events must be approved in advance by the board and conspicuously posted at the club and on the website.

TENNIS & PICKLEBALL

- 1) The authorized hours of court usage are from 7:00 a.m. to 11:00 p.m., daily, including weekends.
- 2) A court reservation system will be in effect from Memorial Day through Labor Day; during other seasons a reservation system may be used (depending demand).
 - a) Reservations will be accepted for three (3) courts. The others will be used on an unreserved basis (See 3 below).
 - b) Reservations must be made at the Club (during pool hours) either in person or by telephone, up to one (1) day in advance.
 - c) Reservations will be for 1½ hour periods. Members can make only one (1) advance reservation for a given day.
 - d) If a reserved court is not used for play within ten (10) minutes of the starting time, the court may be assigned to waiting players. A court cannot be held or reserved by one (1) person.
 - e) After a reserved time period is over, the same players cannot utilize the Court or another one as a group (the same twosome or foursome), if others are waiting to play. However, if no one is waiting, or after waiting players are accommodated, if a court is free, a group who has already played may re-sign in the pavilion and play again.
 - f) A person cannot be on the waiting list (or be considered a waiting player) for a reserved Court while playing on a reserved Court
 - g) The unreserved Courts will be used by persons according to their order of arrival at the Courts. As with the reserved courts, all players must be registered by name before play begins. Also, the starting time and Court numbers must be recorded. The length of time an unreserved court can be used continuously by the same group will be limited to one (1) hour, if others are waiting.

- 3) Only players will be allowed in the Court enclosure. There will be no more than four (4) players per court.
- 4) Proper tennis clothing must be worn on the Courts. This excludes bathing suits, undershirts, "muscle" shirts, Bermuda shorts, slacks (except tennis slacks), jeans, and cutoff variations thereof. Children must wear appropriate shorts and shirts and shoes.
- 5) Only Non-marking athletic shoes are to be worn on the courts.
- 6) Players under the age of 16 must release Courts to waiting adults on weekends and holidays or before 9:00 a.m. and after 5:00 p.m. on weekdays, unless playing with an adult.
- 7) Eating and smoking are not permitted within the Court enclosure. Plastic water jugs are permitted, but no glass containers, alcoholic beverages or soft drinks.
- 8) Courts may at times be reserved for special activities if sponsored and/or authorized by the Board of Directors. Such reservations and specific usage will be posted at least two (2) days in advance.
- 9) The minimum age for adult socials will be the legal drinking age.
- 10) All tennis players are expected to know and observe basic tennis etiquette. Any persons near the Court fence should observe those courtesies as they apply to noise and general behavior.
- 11) These rules, courtesies, etc., apply to all players, regardless of age, unless otherwise stated.
- 12) Playing times for reserved Courts: One and one-half (1½) hour increments beginning at 7:00 a.m. and ending at 11:00 p.m.
- 13) The tennis team may close all the courts to DSRC members for purposes of tennis team meets. The dates of these events must be approved in advance by the board and conspicuously posted at the club and on the website.

PAVILION

1. The DSRC pavilion is only available for the use of club members and their guests. It is not available for the use of outside groups.
2. To portable music devices used by members on the Club grounds are for their enjoyment only. Anyone disturbing other members will be denied the use of the equipment.
3. Food and beverages may be consumed only in the areas specifically designated and the pavilion.
4. The DSRC pavilion may be reserved for parties of club members by contacting the General Manager.
5. Gas grills are available for the use of club members provided that they have not been reserved for a party or a DSRC team of social event. Members need to clean the grills after use or they will be charged a cleaning fee.
6. Members must dispose of all their trash and clean up any spills.
7. Alcoholic beverages may not be consumed on Club property except at adult-only events designated by the Board of Directors. The consumption of alcoholic beverages by anyone below the legal drinking age is strictly forbidden. No glass containers of any kind may be brought into the club.

PARTIES

1. DSRC requires a \$50.00 fee for use of the party umbrella, this includes guest fees for up to 10 families, each additional family will be \$5 per family. A signed agreement is required at time of booking.
2. One member must be assigned as the contact person/host for communication with the club management. This person must be at the party at all times.
3. The member host is responsible for providing the General Manager a list of attendees, including members and non-members three (3) days prior to the event.

4. There must be at least one (1) adult for every ten (10) children; Adults must stay with and supervise children at all times. DSRC is not liable for your guests.
5. The responsible member must pay a \$5.00 guest fee for each guest payable on or before the party date.
6. The club has tables, chairs, ice tubs (please provide your own ice) and gas grills available for use. Time for set-up and clean-up will be thirty (30) minutes before and after the party.
7. Parties may last up to three (3) hours in length **during normal pool hours only**. Pool closes at 9pm.
8. No DJ's, bands or other music is allowed during parties.
9. All parties must include at least thirty (30) minutes before scheduled club closing unless otherwise approved.
10. Additional fees will be charged if additional staffing is required, including lifeguards.
11. Alcoholic beverages may not be consumed on Club property except at adult-only events designated by the Board of Directors. The consumption of alcoholic beverages by anyone below the legal drinking age is strictly forbidden. No glass containers of any kind may be brought into the club.
12. **No food (including chewing gum) or beverages, or food or beverage containers may be brought into the pool or deck area.** Food and beverages may be consumed only in the areas specifically designated and the pavilion.

RULES FOR MANAGEMENT PERSONNEL

1. All management personnel shall be expected to obey the rules and regulations at all times.
2. Management will not assume responsibility for loss, damage, or theft of personal property.
3. The manager shall have the authority to enforce the rules and may eject from the Club premises for a minimum of one (1) day persons failing to comply with the rules. The Manager is required to report any ejections to the President on the same day.
4. All persons shall comply with the instructions of lifeguards and the Manager. Disagreements with instructions that cannot be resolved satisfactorily should be brought to the attention of the Board of Directors. Until the disagreement is resolved by the Board, the Pool Manager's ruling stands.
5. The Manager is authorized to modify DSRC rules in any situation where such modification is required for the protection of members' health and safety.

MEMBERSHIP GUIDELINES

TRANSFER OF MEMBERSHIP WITH SALE OF PROPERTY

1. The only time a DSRC membership may be transferred from family to family is at settlement of a real estate transaction.
2. Seller must be a member in good standing.
3. Seller shall notify the officers of the Club, in writing (letter or email) of the intent to transfer and relinquish membership certificate to the Corporation at least thirty (30) days prior to the transfer/settlement date
4. Seller shall inform purchaser of value of certificate, as defined in Bylaws, Article II, Section 2(B).
5. Seller shall notify the Director/Membership when property title has been transferred.

6. Purchaser shall submit membership application, plus initiation fee and appropriate dues.
7. DSRC will then issue a membership certificate to the purchaser of the property.

INACTIVE MEMBERSHIP

1. An inactive DSRC Member is one who holds a corporation membership certificate and who, because of temporary relocation or other reason approved by the Board of Directors, is unable to use the facilities of DSRC.
2. Inactive status must be requested in writing (letter or email) and be approved by the Board of Directors.
3. Inactive members will submit dues of \$100 per annum, non-refundable.
4. Inactive members are not allowed to use any of the club facilities.
5. To resume "active" membership status, the inactive member should submit the request in writing (letter only), accompanied by payment of the "active" membership dues. The inactive member will be reinstated at the next available membership opening.
6. A member who does not pay their annual dues, inactive or active, and does not notify DSRC Membership Director of their intent to resign shall become an inactive member automatically on Labor Day. These members will have \$100 deducted from their bond refund each year until an official resignation has been submitted or their bond is exhausted. If the bond is exhausted the membership will be automatically resigned.

PRO-RATED DUES SCHEDULE

1. For members leaving the Club, refunds of annual dues are made according to the following schedule:

<u>Date of Leaving</u>	<u>Amount of Refund</u>
May 1 – July 15	50% of annual dues
July 16 or later	None
2. For members joining the Club, annual dues are due according to the following schedule:

<u>Date of Joining</u>	<u>Amount of Dues</u>
May 1 – July 15	100% of annual dues
July 16 – Labor Day	50% of annual dues
Day after Labor Day – October 31	\$50.00
November 1 – April 30	None

DARNESTOWN SWIM & RACQUET CLUB

BYLAWS

March 3, 1975
November 15,
1978
February 13,
1979
October 10,
1979
October 22,
1980

October 20, 1982
October 27, 1983
October 24, 1988
November 8,
1993
October 10, 201
6

ARTICLE I – NAME & PURPOSE

SECTION 1. NAME OF ORGANIZATION. The name of this organization shall be the Darnestown Swim and Racquet Club, Inc., hereafter referred to as the Club or the Corporation.

SECTION 2. PURPOSE. The purpose of this Club is to foster the health and general welfare of its members through the ownership and operation, on a non-profit basis, of a swimming pool, tennis courts, and other facilities.

ARTICLE II - MEMBERSHIP

SECTION 1. DEFINITION OF MEMBERSHIP. The Club membership shall be open to family units residing in or owners of homes in the Greater Darnestown area and other adjacent communities in Montgomery County, Maryland, as designated by the Corporation. Residence within the designated geographic area will be the sole criteria for membership within the Club; membership shall not be denied because of race, color, creed, sex, or national origin. A family unit, hereinafter referred to as a Member, is defined as: a head of household, spouse, children or any other individual residing in the household who is shown on the family unit's application for membership. Each family unit must hold one Corporation Membership Certificate. Family units residing in or owners of homes in other than the designated geographic area, may be admitted to membership, as a new member, co-equal with family units within the designated area, only when a vacancy exists and no eligible family unit within the designated area, following a reasonable notice, applies for such vacancy.

SECTION 2. CERTIFICATES.

1. **SALE OF CERTIFICATES.** Membership Certificates shall be sold only by the Corporation at such prices as the Board of Directors shall establish.
- A. **VALUE OF CERTIFICATES.** The value of a certificate is the amount paid to the Corporation by the initial cash purchaser.

SECTION 3. MEMBER IN GOOD STANDING. A Member in good standing shall be one whose financial obligations to the Club are satisfied and who is not in violation of any rules of the Corporation.

SECTION 4.

- A. **WITHDRAWAL.** Members who withdraw from the club for any reason will sell their certificate only to the Corporation, or through the Corporation, as noted in Article II, Section 4(D).
- B. **REPURCHASE OF CERTIFICATES.** In the event a member shall elect to withdraw and sell his or her Membership to the Corporation, such member shall notify the Corporation in writing tendering his or her Certificate of Membership, duly assigned to the Corporation. Upon the availability of funds as hereinafter provided, the Corporation shall reimburse the withdrawing member the amount actually paid for such membership by the initial cash purchaser. Reimbursement shall be made from the proceeds of the sale of memberships made after the date of receipt of withdrawal notification. In the event reimbursement of more than one withdrawing member is required, reimbursement shall be made as proceeds from the sale of new memberships become available with priority determined by the dates of the withdrawal notification of such members.
- C. **ACCRUAL OF REVENUE.** All revenue from the resale of Membership Certificate will accrue only to the Corporation.
- D. **ACQUISITION OF CERTIFICATE THROUGH PROPERTY TRANSFER.**
 1. A withdrawing member in good standing shall have the option to have his/her membership acquired by or transferred to a bonafide purchaser of his/her home, provided the withdrawing member notifies the officers of the Club of the intent to have the purchase of the home acquire the membership. This transaction is subject to the rules and regulations as set forth by the Board of Directors.

2. A withdrawing member who is a resident of Spring Meadows and who is in good standing shall have the option to have his/her membership directly acquired or transferred to a bona fide purchaser of his/her home. The Board of Directors will be notified of such transfer, and the new member will register with the Club, and otherwise adhere to the Rules and Regulations.
 3. A member who acquires membership through transfer shall, provided he/she maintains good standing, have all the rights and privileges of all members. In the event such a member subsequently shall elect to withdraw he/she may either transfer the certificate again (as described in Section 2(D)(1), or redeem the certificate for the amount paid by the original cash purchaser.
 4. Members shall have the option to retain membership when the family unit changes residences.
- E. **PURCHASER OF CERTIFICATES** The Board will make available surrendered Membership Certificates that are not purchased under (D) above to eligible applicants in the order of their dates of application until the Club reaches its maximum rate capacity. Residents of Spring Meadows community shall have priority in the purchase of surrendered membership certificates subject to the provisions of Section 4(D) of this Article.

SECTION 5. NUMBER OF MEMBERSHIPS The number of family unit memberships in the Corporation will be 450 and shall be within the limits prescribed by the Montgomery County Health Department. The Board of Directors shall have the power to increase the number of family unit memberships by five percent as circumstances dictate.

ARTICLE III _ DIRECTORS

SECTION 1. QUALIFICATIONS. The number of directors which shall constitute the whole Board of Directors shall be nine (9) with five (5) Board members constituting a quorum to conduct business. Three (3) Directors shall be elected annually to three (3) year terms. Each Director shall be an adult member of a family unit holding a Membership Certificate. The current officers will continue to serve until such time as the first scheduled meeting of the Board of Directors following the annual meeting.

SECTION 2. RESPONSIBILITY AND AUTHORITY OF BOARD OF DIRECTORS. Consistent with these Bylaws, the Board of Directors shall:

- A. Transact all Club business and make and amend rules for the regulations of the use of Club property. It may appoint and remove such officers, clerks, agents, or employees as it may deem necessary and may fix their duties and compensations.
- B. Act as a screening committee for new members and members exiting from the Club for various reasons.
- C. Have the authority to enforce all Rules and Regulations and Bylaws of the Club.
- D. Elect from the Board of Directors a President, Treasurer, Secretary, Director/Pool, Director/Tennis, Director/Membership, Director/Grounds, Director/Social and a Swim Team Representative, all of whom will serve without compensation.
- E. Constitute and appoint committees and define the power and duties of same.
- F. Fill any vacancy in the membership of the Board of Directors to serve until the next annual meeting of members.

SECTION 3. SPECIAL MEMBERSHIP OF THE BOARD OF DIRECTORS.

During the first five (5) years of operation of the Corporation, W.C. and A.N. Miller Development Company, A Delaware Corporation, shall have the right to appoint one (1) member of the Board of Directors, which member shall be in addition to have all rights and privileges of the members provided for in Section I of this Article.

ARTICLE IV _ MEETINGS OF MEMBERS

SECTION 1. NOTICE. All meetings of the Members shall be held in Montgomery County, Maryland, at a time and place to be fixed by the

Board of Directors. At least fifteen (15) days notice shall be given to Members, at their last known address, as shown on Club Records.

SECTION 2. DATE OF ANNUAL MEETING. Annual meetings of the Corporation shall be held within 120 days after pool closing, at which time the Members shall elect directors in accordance with the provisions of Article III herein, and transact such business as may properly be brought before the meeting.

SECTION 3. CALLING OF SPECIAL MEETINGS. Special meetings of the Corporation, for any purpose or purposes, may be called by the Board of Directors, or by request of at least ten percent (10%) of the membership presented in writing to the Secretary. Such request shall state the purpose or purposes of the proposed meeting, after receipt of which the secretary shall call the Special Meeting requested within thirty (30) days. Written notice of a Special Meeting of the Corporation, stating the time, place, and purpose thereof, shall be given to each Member entitled to vote at least fifteen (15) days before the date fixed for the meeting. Business transacted at any Special Meeting shall be limited to the purposes as stated in the notice.

SECTION 4. QUORUM. Ten percent (10%) of the voting Members in good standing as of the date of the meeting, present in person, shall constitute a quorum at all meetings of the Corporation for the transaction of business. A member shall be entitled to one vote at Corporation meetings which may be cast by an adult member of the written proxy. Such written proxies are valid for no more than thirty (30) days.

SECTION 5. DECISION MAKING. When a quorum is present at any meeting, the vote of the majority of the Members in good standing present in person or represented by proxy shall decide any questions brought before such meeting, unless the question is one upon which, by express provision of the statutes or of the Certificate of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decisions of such questions.

ARTICLE V _ OFFICERS

SECTION 1. NUMBER OF OFFICERS. The Officers of the Corporation shall be chosen by the Board of Directors from among its members and shall be comprised of a President, Treasurer, Secretary, Director/Pool, Director/Tennis, Director/Membership, Director/Social, Director/Grounds and a Swim Team Representative. No more than one office may be held by the same person. A term of office shall be three years commencing at the first meeting of the Board of Directors held within thirty (30) days subsequent to the annual election of the Board of Directors.

SECTION 2. DUTIES OF OFFICERS.

- A. The President is the chief executive and administrative officer of the Corporation, and shall preside at the meetings of the members. As Chairman of the Board of Directors, the President presides at meetings of the Board. The President shall appoint all committees and shall designate the Chairman of each committee subject to confirmation by the Board of Directors. The President is an ex-officio member of all committees.
- B. The Director/Membership maintains current records of membership, including names, addresses and other relevant data. In the absence or disability of the President, the Director/Membership becomes responsible for carrying out the duties of the President. Under direction of the President, the Director/Membership attends to the business and financial operations of the Club and shall be Chair of the Finance Committee.
- C. The Director/Pool is responsible for the pool area including the bathhouse and meeting rooms.
- D. The Director/Tennis is responsible for the tennis courts, tennis professional staff/ and competitive tennis events.

- E. The Director/Social is responsible for coordinating and overseeing all social functions relating to the Corporation.
- F. The Director/Grounds is responsible for all fences, buildings, structures, lawn, shrubs, picnic tables and benches, play equipment (including volleyball and basketball areas and trash maintenance).
- G. The Swim Team Representative will act as liaison between the swim team Committee and the Board of Directors.
- H. The Secretary shall, subject to the control of the Board of Directors:
 - 1. Keep the minutes of the meetings of the members and of the Board of Directors.
 - 2. Keep all Corporate records except financial records.
 - 3. Conduct all official correspondence under the supervision of the President.
 - 4. Notify all members of the time and place of all meetings of the members.
 - 5. Perform such other duties as are appropriate to the office, including the submission of such reports as may be required by the Board of Directors.
- I. The Treasurer shall, subject to the control of the Board of Directors:
 - 1. Make and keep records of all financial transactions of the Corporation.
 - 2. Be responsible for the receipt of all monies due the Corporation and deposit such in depositories approved by the Board of Directors.
 - 3. Be one of the Officers authorized to sign checks. All checks valued at \$50.00 or more MUST be signed by a second officer who has check signing authority.
 - 4. Make all disbursements for charges incurred by the Corporation.
 - 5. Recommend, for approval by the Board of Directors, fiscal procedures and policies to be followed to facilitate the transactions of Corporation business.
 - 6. Submit the records for financial review within thirty (30) days after the close of the fiscal year.
 - 7. Perform such other acts and submit such reports as are appropriate to the office as may be required by the Board of Directors.

ARTICLE VI _ DUES

SECTION 1. AMOUNT OF DUES. The Board of Directors shall fix annual dues for Members necessary for the expenses of the Corporation and proper maintenance and improvement of its property. The total amount to be realized from annual dues shall be determined on the basis of an annual operating budget, as approved by at least five (5) members of the Board.

SECTION 2. SCHEDULE OF PAYMENT. All dues shall be payable on or before the first day of April each year. No dues shall be refunded in the event that operations of the Corporation facilities are suspended for any period, unless otherwise provided by the Board. A delinquency penalty may be assessed by the Board on dues received after the first of April. The club may terminate a family unit membership for which the annual dues are 45 days delinquent.

ARTICLE VII _ GENERAL PROVISIONS

SECTION 1. WITHDRAWAL. Any member of the club may withdraw therefrom by written notice to the Board of Directors at any time subject to the provision of Article II, and there shall be no refund of the current year's dues except as may be provided otherwise by the Board. Any financial obligation due the Club shall be deducted from the refund due the Member.

SECTION 2. RULES AND REGULATIONS. All members of the Club shall be accorded the facilities of the Corporation subject to the rules and regulations which shall be adopted by the Board of Directors and posted at all times in the Club bathhouse.

SECTION 3. FISCAL YEAR. The fiscal year of the Corporation shall begin January 1 and end on December 31. A review of the Corporation's books and records will be made at the end of every other fiscal year by a CPA (who is not a Club member) selected by the Board of Directors. The books of account and membership records of the Club shall be available for inspection at reasonable times by any Member.

SECTION 4.

- A. **INDEMNIFICATION OF DIRECTORS.** Each person who acts as a Director or Officer of the Corporation shall be indemnified by the Corporation against expenses actually or necessarily incurred in connection with the defense of any action, suit, or proceeding in which the Director is made a party by reason of being or having been a Director or Officer of the Corporation, except in relation to matters as to which the Director shall be adjudged in such action, suit, or proceeding to have acted outside the scope of authority or be liable for gross negligence or willful misconduct, and except any sums paid for the Corporation in settlement of such action, suit, or proceeding based on actions outside the scope of authority or gross negligence or willful misconduct in the performance of duties.
- B. **EXTENT OF INDEMNIFICATION.** The right of indemnification provided herein shall insure to each Director and Officer referred to in (A) whether or not the person is such Director or Officer at the time such costs or expenses are imposed or incurred, and in the event of death, shall extend to the legal representatives of the decedent.
- C. **FIDELITY BOND.** The Corporation shall provide fidelity bond coverage for each of the Directors.

SECTION 5. SPECIAL ASSESSMENTS. No special assessments shall be levied without a majority vote of the members present, personally or by proxy, at an Annual Meeting or Special Meeting called for this purpose. The Board may terminate a family unit membership for which the special assessment is forth-five (45) days delinquent.

SECTION 6. DISSOLUTION OF CORPORATION. In the event of dissolution of the Corporation after the discharge of all liability, any assets remaining shall first be applied to retire existing memberships as provided in Article II, Section 2. If assets are insufficient to retire all memberships, then such assets shall be distributed in payments reduced proportionately and equally among Members at which time all memberships shall be considered retired. Any assets remaining after all memberships are retired in full accordance with the Bylaws shall be distributed in equal shares to all members.

SECTION 7. PROCEDURAL RULES. All membership meetings shall be conducted in accordance with *Robert's Rules of Parliamentary Procedures*.

ARTICLE VII _ BYLAWS

SECTION 1. AMENDMENT OF BYLAWS. The Bylaws may be amended by affirmative vote of two-thirds of the Members in good standing as of said date of called meeting present, in person, or by written proxy at any regular or special meeting, if the notice of such proposed amendment is contained in the notice of such special meeting.

SECTION 2. INTERPRETATION. Any question as to the proper interpretation of the provisions of these Bylaws shall be resolved by majority vote of the Board of Directors.

