
Bylaws

Kingston Estates *Swim Club*

Deland Avenue and Princess Road

Cherry Hill, NJ 08034

Kingston Estates *Swim Club*

BYLAWS

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INTRODUCTION

- I. Following is the order of precedence of the rules of the Kingston Estates Swim Club, Inc. (KESC):
 1. Certificate of Incorporation (Corporate Charter)
Amendments are subject to the requirements of the laws of the State of New Jersey.
 2. Bylaws
 - (a) Conform to the corporate charter.
 - (b) Prescribes how the organization functions.
 - (c) Includes all rules that the organization considers so important that they cannot be changed without previous notice to the members and the vote of a specified large majority, and cannot be suspended (with the exception of clauses that provide for their own suspension under specified conditions, or clauses in the nature of rules of order).
 3. Standing Rules
 - (a) Rules of a permanent nature, which are binding on the organization until they are rescinded or modified, and can be adopted by a majority vote at any meeting without the previous notice, etc., required for bylaws. After they have been adopted, they can not be modified at the same session except by a reconsideration. At any future session they can be suspended, modified or rescinded by a majority vote.
 - (b) No standing rule (or other resolution) can be adopted which conflicts with the bylaws.
 4. Rules and Regulations.
Seasonal rules and regulation adopted and published annually by the Board of Directors for the operation and use of Club facilities.
- II. Reference: Robert's Rules of Order, newly revised
2000 edition, 10th edition
Scott, Foresman
- III. Definitions of words used within these Bylaws:
 1. *Club*: Kingston Estates Swim Club, Inc.
 2. *Board*: Board of Directors.
 3. *Membership Certificate*: a certificate of participation (a certificate showing ownership of a certain share in a group of securities or property); not a bond (a certificate promising to pay back with interest the money borrowed).
 4. *shall*: mandatory, a requirement
 5. *should*: a recommendation
 6. *may*: permissive, neither mandatory nor recommended

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ARTICLE I NAME

The name of the corporation is Kingston Estates Swim Club, Inc., hereinafter referred to as "the Club" or "KESC". The Club was organized at Cherry Hill, NJ, April 3, 1956 and incorporated as a not-for-profit corporation organized and existing under the laws of the State of New Jersey, April 23, 1956.

ARTICLE II PURPOSE

The purpose for which the Club is formed is to promote, build, own, operate and maintain a swimming pool and other recreational facilities on a non-profit basis.

ARTICLE III MEMBERSHIP

Section 1 Defined

- (a) A member family unit includes the basic adult member (age 18 years or older), spouse or partner, his and/or her unmarried children, grandchildren, persons under legal guardianship or foster care, and/or parents, all residing in the same domicile. Other relatives, summer house guests, full or part time employees, etc., are not considered as part of the family unit.
- (b) If a family unit becomes separated after their membership has been paid for the season, each individual still retains their right to membership and use of the facilities during that season. If separate households are maintained the following season, there must be a separate Membership Certificate obtained for each household. Parents will not be charged twice for minor children who are listed on each membership, but they must inform the board in writing who is responsible for the dues payment of the children. Both parents must sign this agreement. Duplicate membership ID-may be obtained for the children, so that each parent has a set of ID. Any change in certificate holder status must also be submitted to the board in writing, signed by both parties, and notarized.
- (c) An "active member" or "member in good standing" is an individual or family unit that has paid all dues, fees and assessments applicable to their type of membership for the current membership year.

Section 2 Types

Membership shall consist of the following types:

- (a) "A" - a member who has paid the application fee and one hundred percent (100%) of the Membership Certificate fee.
- (b) "B" - a member who has paid the application fee and a partial payment of the Membership Certificate fee.
- (c) "C" - a one time, one year trial member who has paid the application fee, but has not paid partial or full payment of a Membership Certificate.
- (d) "D" - a one time, one month (August) trial member who has paid the applicable membership fee but has not paid the application fee and partial or full payment of a Membership Certificate.
- (e) "R" - a member who has submitted their resignation and waiting reimbursement of their Membership Certificate fee.

Section 3 Number

A total of three hundred sixty (360) "A" and "B" Members are authorized. "R" Members are excluded from this number. The number of "C" and "D" Members may be established annually by the Board.

Section 4 Application

- (a) "A" Membership will be accepted subject to availability and verification of application information upon receipt of a completed membership application and payment of a non-refundable application fee and a Membership Certificate fee. Any "A" member who resigns because of a change in residence or other valid reason and subsequently wishes to rejoin the club shall be allowed to fill the first vacancy, subject to all the other rules applicable to membership at that time.

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- (b) "B" Membership will be accepted subject to availability and verification of application information upon receipt of a completed membership application and payment of a non-refundable application fee and partial payment of a Membership Certificate fee, the amount and number of annual payments to include any special fees, to be established by the Board. Failure to pay an annual partial payment of the Membership Certificate fee shall be reason for termination of membership.
- (c) "C" and "D" Membership, when established for the current year by the Board, will be accepted subject to availability and verification of application information upon receipt of a completed membership application and payment of a non-refundable application fee. This fee shall qualify as payment of the application fee if "A" or "B" Membership is applied for in the following year.

Section 5 Rights and Privileges

- (a) "A" Members shall have Club privileges which include the use of all Club recreation and social facilities, membership on intra and inter Club athletic teams and voting rights at meetings of the membership and be eligible to serve as a Director of the Club.
- (b) "B" Members shall have Club privileges which include the use of all Club recreation and social facilities and membership on intra Club athletic teams. Membership on inter Club athletic teams shall be in accordance with individual league rules. "B" members may attend all membership meetings, speak and debate on all matters before the membership but shall have no voting rights and are not eligible to serve as a Director of the Club.
- (c) "C" & "D" Members shall have Club privileges which include the use of all Club recreation and social facilities and membership on intra Club athletic teams. Membership on inter Club athletic teams shall be in accordance with individual league rules. "C" & "D" members may attend all membership meetings, speak and debate on all matters before the membership but shall have no voting rights and are not eligible to serve as a Director of the Club. Membership and privileges are limited to the balance of the calendar year in which accepted.
- (d) "R" Members shall have no Club rights and privileges.

Section 6 Vote

Only "A" Membership Certificate holders registered with the Club, their spouse or adult family unit member are entitled to one vote on the affairs and elections of the Club. In the event that the Membership Certificate is held jointly, the vote of only one of the owners shall be counted.

Section 7 Fees and Dues

- (a) A non-refundable membership application fee shall be as established by the Board.
- (b) The Membership Certificate fee shall be three hundred dollars (\$300.00).
- (c) The annual dues for the various types of membership shall be established annually by the Board and shall be assessed and paid for the membership year on the basis of membership status as of the date dues are declared payable. New members joining after the summer opening of the Club shall pay prorated dues, fees and assessments. Annual dues or part thereof shall not be refunded in the event that the Club is required to suspend its operation for any period of time or for resignation except for resignation during the season due to permanent relocation out of the area, in which case the dues will be prorated as to the date of receipt of resignation and membership ID.
- (d) The annual dues, fees, and assessments if established, shall be payable by a date established each year by the Board, which date shall in no event be less than fifteen (15) days prior to the season opening of the Club. A late fee, established by the Board, may be assessed on dues and fees not paid by the due date. (Post mark date shall be proof of payment date). Each member shall be given notice of the amount of the dues, fees, and assessments not less than fifteen (15) days prior to the due date established by the Board. The mailing of such notice to the last member furnished postal/street address and/or electronic mail (e-mail) address as recorded in the Books or Records of Membership shall constitute notice.

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Section 8 Waiver

"A" and "B" Members may waive their annual membership to include all rights or privileges of membership by paying an annual waiver fee established by the Board in lieu of the annual dues, fees and assessments. Waived "A" Members retain the right to vote on the affairs and elections of the Club.

Section 9 Delinquency

Any member who is delinquent in payment of all or a portion of the annual dues, fees, assessments or other membership obligations by opening day of the current year shall not be entitled to the rights or privilege of membership during such delinquency. Non-payment of the annual dues, fees, assessments, other membership obligations or the established waiver fee by June 15th will automatically be made by reduction of the value of the Membership Certificate by the waiver fee and forfeiture of all membership rights and privileges. The Membership Certificate must be re-paid in full for membership to be reinstated. If the Membership Certificate value is reduced to zero (\$0.00) dollars, membership will be terminated. Written notice of termination will be sent to the member at the last known postal street address.

Section 10 Suspension or Exclusion

The Club shall have power by act of its Board to suspend or exclude from membership any member who fails to comply with the reasonable and lawful requirements of the bylaws, rules and regulations duly made by the Club for the government of its members without liability for an accounting, provided however, that action toward exclusion from membership shall not be taken until ten (10) days written notice has been given the offending member at their last known postal street address to attend a hearing before the Board. Any such member shall be entitled to withdraw their Membership Certificate fee less any outstanding obligation and any personal loan made to the Club, in accordance with the provisions of these Articles.

Section 11 Resignation of Membership

"A" or "B" members may, by written notice to the Membership Chairperson resign their membership and request the Club repurchase their Membership Certificate. The Club reserves the right to withhold repurchase until repurchase funds are available. Membership Certificates shall be repurchased in the order that requests for resignation are received. A Membership Certificate may be transferred or sold by the holder to another individual, subject to approval by the Board and payment of the current application fee.

ARTICLE IV GOVERNMENT

Section 1 Board of Directors

- (a) The government of the Club, the direction of its affairs, policies, business and the control of its property shall be managed by a Board of Directors, herein before and hereinafter called the "Board", elected by the membership as hereinafter provided. The Board shall have full power as defined within these Bylaws and it shall be their duty to carry out the objectives of the Club.
- (b) The Board shall be composed of nine (9) "A" members of the Club in good standing.
- (c) Only one individual per Membership Certificate is eligible to serve on the Board at the same time.

Section 2 Election

- (a) Three (3) Directors shall be elected at the Annual Meeting of the membership for a term of three (3) years or until their successors are elected or appointed, commencing October 1st of the year elected.
- (b) Other Directors shall be elected to serve the remainder of the unexpired term of a Director vacancy or until a successor is elected.
- (c) The three candidates receiving the largest number of votes shall fill the three year terms, other vacancies shall be filled in the descending order of votes received.
- (d) Following their election, new Directors should attend meetings of the Board as non-voting members until their installation

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Section 3 Nominations

- (a) Nominations for the office of Director shall be made by a Nominating Committee. Additional independent candidates for Director may be made by petition signed by at least ten (10) members entitled to vote and submitted to the Secretary at least 15 days prior to the Annual meeting date of the current year.
- (b) The notices of the Annual meetings shall list all nominees and additional candidates for the office of Director, indicating which nominees are incumbents. Such notice shall be distributed by the Secretary to all members entitled to vote at least ten (10) days prior to the Annual Meeting.
- (c) Independent nominations shall not be made from the floor. In the event there are insufficient nominees or candidates for Director the position(s) shall be considered vacant and appointments made by the Board in accordance with Section 4(b).

Section 4 Vacancies

- (a) A vacancy shall be considered to exist on the Board when it has been recorded in the minutes of a meeting of the Board that an elected person has vacated his/her Board membership voluntarily or involuntarily.
- (b) Vacancies occurring on the Board during the year shall be filled until the next annual election by a majority vote of the remaining members of the Board present at its first regular scheduled meeting following the creation of such vacancy. A vacancy in the office of president shall be filled by a Board member in accordance with requirement of Article V Section 1 and the resulting vacancy shall be filled by the Board. The membership shall elect, at the next Annual Meeting, a Director to serve the remainder of the unexpired term of their predecessor.

Section 5 Removal

A Director may be removed from office for cause or failure to attend fifty percent (50%) of the yearly or three (3) consecutive Board meetings by a vote of a majority of the Board after ten (10) days written notice has been given to the Director to attend a hearing before the Board, or by a two thirds (2/3) vote of the membership present at a duly organized membership meeting after fifteen (15) days written notice has been given to the Director and to the membership of the purpose of such meeting.

Section 6 Meetings

- (a) The Board shall hold regular meetings quarterly and at such other times as they deem necessary and shall meet at the request of any two (2) Directors.
- (b) At least five (5) day's notice of a meeting of the Board shall be given to each Director.
- (c) Meetings of the Board shall be held at such place or places in the Township of Cherry Hill, New Jersey or immediate vicinity as the President or Board may designate in the call for the meeting.

Section 7 Quorum

A majority of the Directors in office shall constitute a quorum for the transaction of business. The acts of a majority of Directors present at a meeting at which a quorum is present shall be the acts of the Board, provided, a majority shall consent to any action, such action shall be as valid as though it had been authorized at a meeting of the entire Board.

Section 8 General Duties

Consistent with these Bylaws the Board shall:

- (a) make or authorize all purchases, contracts and disbursements necessary or desirable for operation of the Club.
- (b) fix the number, classification, duties, responsibilities and salary of all employees and approve their employment and termination. Any Director responsible for recommending employment may suspend such employee for cause pending Board review and consideration.

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- (c) establish the Rules and Regulations for the government of the Club facilities and make available a copy to all members.
- (d) establish the duties and responsibilities of standing and special committees.
- (e) confirm all committee appointments made by the President or Committee Chairperson.
- (f) chair all standing committees, with power to direct their activities and to alter or amend any rules or regulations recommended by a committee.
- (g) establish the policies of the club, to include but not limited to discipline and sanctions, membership, personnel, privacy and sexual harassment.
- (h) prepare an Annual Report indicating the state of membership and finances, the annual operating and maintenance budget, the Capital Improvement Plan and budget and summarizing important activities of the preceding fiscal year.
- (i) adopt an annual operating and maintenance budget based on the recommendations of the Finance Committee.
- (j) establish annual dues for each type membership, due date, late fee and waiver fee based on the recommendations of the Finance Committee.
- (k) establish the terms, conditions and fees upon which guests of members may use the facilities of the Club.
- (l) fix, impose or remit penalties for violations of these Bylaws and established rules and regulations of the Club.
- (m) do or cause to be done all other things necessary for the operation and maintenance of the Club.

Section 9 Compensation

Members of the Board shall:

- (a) receive no compensation.
- (b) be reimbursed by the Club for proper expenses supported by receipts reasonably incurred by him/her in the discharge of their club responsibilities.

Section 10 Failure to Comply

If the Board fails to comply with any requirements of these Bylaws, any member entitled to vote has the authority to enforce the requirements of the Bylaws upon a petition signed by at least twenty (20) members entitled to vote and submitted to the Board not less than twenty (20) days prior to assuming such authority.

Section 11 Conflict of Interest

Each member of the Board of Directors has a fiduciary duty to KESC to at all times render decisions that are in the best interest of KESC. A board member shall have the affirmative obligation to immediately reveal to all other board members any conflict of interest, and to further abstain from voting on any matter in which she or he has an actual conflict of interest. Any board member with a conflict who votes on a resolution is subject to immediate removal by vote of the remaining board members, and the vote in which the board member participated shall be rendered void, and the remainder of the board shall reschedule a vote at the earliest possible time.

ARTICLE V OFFICERS

The Officers of the Club shall be a President, Vice-President, Secretary and Treasurer.

Section 1 Election

The officers of the Club shall be elected by the Board from among the members of the Board. At the first meeting of the new Board, the Board shall meet for the purpose of assuming office and shall designate, by majority vote of the entire Board, the Directors who shall be President, Vice-President, Secretary and Treasurer, to hold these offices for the ensuing year or until their successors are designated by the Board. The meeting for such designation shall be called by the retiring President who shall act as temporary chairperson until the new officers are designated. No Director shall be designated as President unless he/she has served one full year as a Director.

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Section 2 President

The President shall:

- (a) preside at all meetings of the Board and of the membership.
- (b) be the official spokesperson and representative of the Club.
- (c) with the Treasurer, sign all contracts and with the Secretary, sign all other papers relating to the affairs of the Club.
- (d) appoint all standing and special committees, designating the Chairperson thereof, subject to the conformation of the Board.
- (e) be an honorary member of all committees.
- (f) perform all other acts properly belonging to the office, including executive supervision of all activities of the Club and its employees.
- (g) have the right to vote on all questions before either the Board or the membership.

Section 3 Vice-President

The Vice-President shall:

- (a) aid and assist the President and perform those duties in his/her absence.
- (b) perform such other functions as may be appropriate to the office, or assigned by the Board.

Section 4 Secretary

The Secretary shall:

- (a) record and preserve in books of the Club minutes of the proceedings of all meetings of the Board and of the membership. In the absence of the Secretary, the presiding officer shall appoint a Director to record the minutes of a meeting.
- (b) keep all Club records except financial and membership records.
- (c) conduct all official correspondence.
- (d) give all notices required by these Bylaws or resolutions of the Board.
- (e) have custody of the corporate seal.
- (f) sign, countersign all official papers, other than contracts, relating to the affairs of the Club and attest the signature of corporate officers and directors when necessary
- (g) publish and distribute a monthly calendar listing all Club activities and events during the operating season.
- (h) perform such other functions as may be appropriate to the office, or assigned by the Board.

Section 5 Treasurer

The Treasurer shall:

- (a) make and preserve in books of the Club records of all financial transactions of the Club and report at every meeting of the Board the Club's finances. The records shall be open to inspection by the Board at all times.
- (b) be responsible for the receipt of all monies due the corporation and deposit the same in bank accounts or other places of deposit approved by the Board , paying any service charges on such accounts as the Board deems proper.
- (c) sign all checks with one other officer (President, Vice-President or Secretary), and make all disbursements, with proper documentation or receipts.
- (d) advance a sum of up to five hundred dollars (\$500.00) to any officer, director, committee chairperson, employee or member required to expend cash for corporate purposes upon receipt of a signed voucher stating the amount and purpose of the advance and the approval of one other officer. Receipts for all purchases are required and shall be submitted to the Treasurer before additional funds can be advanced or reimbursement can be made.
- (e) with the President, sign all contracts with the Club.

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- (f) complete or cause to be completed all necessary reports and forms to comply with report and tax requirements of all levels of government.
- (g) prepare and submit an annual financial statement for the period ending December 31st, to include a statement of income and expenses, a statement reconciling the cash accounts and a statement of the financial conditions of the Club as of December 31st.
- (h) chair the Finance Committee.
- (i) in the absence of the President and the Vice-President, preside at Board and/or membership meetings.
- (j) perform such other functions as may be appropriate to office, or assigned by the Board.

ARTICLE VI MEMBERSHIP MEETINGS

Section 1 Annual

- (a) An annual meeting of the membership shall be held during the month of July of each year, on a day and time and at a place to be determined by a resolution of the Board to present the Annual Report and reports from the officers, standing and special committees, special orders to include the nomination and election of Directors, approving the Capital Improvements Plan and Capital Improvements budget, vote on any changes to the Bylaws and conducting any other business presented by the Board or membership.
- (b) The day, time and place of the annual meeting is to be published at the Club and/or electronically to the membership at least thirty (30) days prior to the meeting.
- (c) Any item of business to be presented by a member or members requiring a vote of the membership are to be submitted in writing to the Secretary at least fifteen (15) days prior to the annual meeting to be placed on the agenda.
- (d) Notice of the annual meeting shall include the agenda for the meeting, nominees for the office of Director and any other business to be conducted in accordance with these Articles.
- (e) All written reports, to include but not limited to the Annual Report, financial reports, Capital Improvement Plan and budget, Bylaws changes and/or amendments that are to be reviewed and/or voted on at the meeting shall be made available at the Club and/or electronically to the membership at least ten (10) days prior to the meeting.

Section 2 Special

A special meeting of the membership may be called at any time by the President, the Board or by petition of ten percent (10%) of the members entitled to vote. It shall be the duty of the Secretary to call a special meeting of the membership, not less than ten (10) days nor more than thirty (30) days after receipt of the request, stating the purpose of the meeting. No other business shall be transacted. If the Secretary shall neglect or refuse to issue such a call, the President or any Director shall do so.

Section 3 Failure to Hold

Failure to hold the Annual Meeting at the designated time shall not be deemed a dissolution or liquidation of the Club, but if the meeting shall not be held within two (2) months after the designated time, any member entitled to vote may call such a meeting.

Section 4 Location

Meetings of the membership shall be held at such place or places in the Township of Cherry Hill, New Jersey, as the President or Board may designate in the call for the meeting.

Section 5 Notice

Written notice of a meeting of the membership and the business to be conducted and any documentation required to be distributed shall be given to each member of record entitled to vote at the meeting at least ten (10) days prior to the day named for the meeting, unless a greater period of notice is required elsewhere in these Bylaws. The mailing of such notice to the last member furnished postal/street address and/or electronic mail (e-mail) address as recorded in the Books or Records of Membership shall constitute notice.

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Section 6 Adjournment

If a meeting is adjourned for reason other than the lack of a quorum, it shall not be necessary to give any notice of the adjourned meeting or business to be transacted other than by announcement at the meeting at which such adjournment is taken.

Section 7 Quorum

- (a) A quorum at a meeting of the membership shall consist of twenty-five (25) members entitled to vote at the meeting, provided that all such members of the Club have been notified as prescribed in these Articles.
- (b) A duly called meeting shall not be organized for transaction of business unless a quorum is present.
- (c) The membership entitled to vote, present at a duly organized meeting can continue to do business until adjourned notwithstanding the withdrawal of enough members entitled to vote so as to leave less than a quorum.
- (d) If a meeting cannot be organized because a quorum is not present, the presiding officer shall, except as otherwise provided in these Articles, adjourn the meeting to such a time and place as the Board may determine, but in the case of any meeting called for the election of Directors, those who attend the second of such adjourned meetings, although less than a quorum as fixed in these articles, shall nevertheless constitute a quorum for the purpose of electing Directors only.

Section-8 Records

The Books or Records of Membership shall be produced upon request of any member entitled to vote at any meeting of the Club.

Section 9 Casting of Vote

Members of record entitled to vote must cast their vote in person. No member may vote by absentee ballot or proxy.

Section 10 Challenge of Vote

If the right of any person to vote is challenged, the presiding officer shall require the Books or Records of Membership of the Club to be produced as evidence of the right of the person challenged to vote, and persons who appear by such books or records to be members eligible to vote may vote.

ARTICLE VII PARLIAMENTARY AUTHORITY

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the Club in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Club may adopt.

ARTICLE VIII COMMITTEES

Section 1 Standing

- (a) The standing committees of the Club, appointed annually by the Board, shall be:
 - (1) Finance (2) Operations (3) Membership (4) Facilities
 - (5) Aquatics (6) Socials (7) Administration and Specials Activities
- (b) A Director shall act as chairperson of each of the standing committees. Additional committee members may be appointed by the committee chairperson at their discretion and confirmed by the Board. Committee appointments may be terminated by a majority vote of the full Board upon written notice to the appointee.
- (c) The duties and responsibilities of the standing committees shall be established by the Board and recorded in the "*KESC Organization and Policy Manual*".
- (d) The president, with Board approval, may reorganize and/or reassign committee responsibilities for the most effective administration of the board.

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Section 2 Special

The special committees of the Club, appointed by the Board, shall be, but not limited to:

- (1) Nominating
 - (2) Advisory
 - (3) Bylaws
 - (4) Such other committees as may be deemed necessary and/or desirable to enhance the best interest of the Club.
- (a) A Nominating Committee shall be appointed annually, a minimum of forty five (45) days prior to the Annual Membership meeting and consist of a chairperson and a minimum of two (2) members, and shall:
- [1] obtain from among the members entitled to vote, nominations for the three (3) annual vacancies on the Board and any other vacancies to be filled, screen such nominations, obtain their agreements to serve and report such nominations to the Board prior to the Annual Membership meeting for notification to the membership in accordance with the requirements of these Bylaws.
 - [2] prepare a ballot of such nominations prior to the Annual Membership Meeting.
 - [3] count and certify the results of the balloting and report the results at the Annual Membership meeting.
- (b) An Advisory Committee may be appointed annually and consist of former members of the Board to assist the incumbent Board in an advisory capacity only.
- (c) A Bylaws Committee shall be appointed, a minimum of every five (5) years, and shall consist of a chairperson and a minimum of two (2) additional members, one of which shall be a present or former Director. The committee shall review the current Bylaws and recommend any deletions, changes and/or additions required for compliance with municipal and state laws or deemed desirable for the government and operation of the Club.

ARTICLE IX FINANCES

Section 1 Fiscal Year

The fiscal year of the Corporation shall be the period from January 1 to December 31.

Section 2 Accounting

The financial records of the Club shall be maintained on a cash basis with the following chart of accounts:

- (a) Balance Sheet account listing assets, liabilities and member equity.
- (b) Income and Expense Account listing the source of income and purpose of each expense.

Section 3 Income Accounts

Income shall be recorded within the following register of accounts:

- (a) Operating and Maintenance Account: Income received from annual dues, fees, or charges and used only for the annual opening, operation, maintenance and closing of the Club facilities as necessary for the protection of these investments and the assets they represent. Fund shall be included to pay all off season expenses and opening expenses for the next season prior to the receipt of next season annual dues, fees or charges.
- (b) Emergency Account: Funds not to exceed twenty five thousand dollars (\$25,000.00) for making emergency repairs of facilities required to keep the club facilities open and operating. The fund shall be maintained from fifty percent (50%) of the annual receipts in excess of the operating and maintenance funds received during the fiscal year, with the interest applied to the account until the account reaches its assigned value at which time the interest and all excess of the operating and maintenance funds shall be entered into the Capital Improvements Account.
- (c) Capital Improvements Account: Funds for making capital facilities improvements, other than special projects and/or replacements to the Club in accordance with the approved Capital Improvements Plan. The fund shall be maintained from the annual receipts in excess of the funds allocated to the Operating and Maintenance Account and the Emergency Account or from special assessments or fees.

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- (d) Membership Certificates Account: Funds received from the purchase of Membership Certificates and used only for the repurchase of resigned member Membership Certificates.
- (e) Special Project Accounts: Income received for special projects which can only be disbursed against that project.

Section 4 Expense Accounts

Expenses shall be recorded in accounts as deemed appropriate by the Board.

Section 5 Audit

A procedure review of the financial affairs of the club and all subsidiary organizations shall be conducted annually, a minimum of ninety (90) days prior to the Annual Meeting by a Certified Public Accountant (CPA) who is not a member of the Club. The reviewer shall:

- (a) perform an agreed upon procedure review of the Clubs financial records.
- (b) prepare and submit a report of the results of the procedure review to the Board for presentation to the membership at the Annual Membership meeting.

Section 6 Debt

Any indebtedness or pledge of the credit of the Club shall require the specific authorization by a majority of the members entitled to vote present at a duly organized membership meeting. If authorization has been granted, the Board is authorized to obtain approved loan and the loan documentation shall be signed by the president and treasurer.

Section 7 Assessments

Assessments on the membership shall require the specific authorization by a majority of the members entitled to vote, present at a duly organized membership meeting.

Section 8 Contracts and Purchases

- (a) All existing annual or seasonal service contracts can be renewed for up to three (3) years without receiving competitive bids. All new contracts beyond one thousand dollars (\$1,000.00) shall require a minimum of three (3) competitive bids.
- (b) All employees of the Club shall sign contracts defining their duties and conditions of employment.

ARTICLE X INSURANCE

- (a) The Board shall secure public liability, property damage and other forms of insurance as deemed necessary for the protection of the Club.
- (b) The Board shall secure a Fidelity Bond on all the officers and directors entrusted with the handling of the Clubs funds to the extent of their authority.
- (c) The Board shall secure Directors and Officers Liability insurance in the amount deemed appropriate.
- (d) All contractors shall have Workmen's Compensation, personal injury and property damage insurance as applicable and in the amounts deemed necessary by law or by the Board and furnish satisfactory proof of same to the Board.
- (e) Official documents, such as property deeds, titles, certificate of incorporation, insurance policies, etc. shall be stored for safe keeping in a secure fire proof container or commercial safe deposit box.
- (f) Each person who acts as a Director or Officer of the Club shall be indemnified by the Club against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding in which they are made a party by reason of their being or having been a Director or Officer of the Club, except in relations to matters as to which they shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct and except any sum paid for the Club in settlement of an act, suit or proceeding based on gross negligent or willful misconduct performance of their duties.
- (g) The right to indemnification provided herein shall insure to each Director and Officer referred to in Subsection (f), whether or not they are such Director or Officer at the time such costs or expenses are imposed or incurred and in the event of their death shall extend to their legal representative.

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ARTICLE XI EXCLUSIONS

- (a) Alcoholic beverages may be brought onto pool grounds and consumed in the club by members/guests 21 years or older. Alcoholic beverages must be consumed in a discreet container/cup. No visible display of alcoholic beverages is allowed. Alcoholic beverages cannot be stored on club grounds overnight. No sale of alcoholic beverages is allowed. However, alcohol beverages may be provided during adult socials or off-season/off hour pool activities.
- (b) Any member or guest that consumes alcoholic beverages to excess on the premises and is deemed to be intoxicated will be required to leave the premises. Members/Guests that are deemed to be intoxicated while entering the Club will be denied entrance.
- (c) The club may lend, lease or rent the facilities for non-club/non-member activities. The club will not be closed to members during any of these activities that take place during posted regular season hours.

ARTICLE XII OFFICIAL DOCUMENTS

- (a) Any questions as to the meaning and/or interpretation of these Bylaws and other official documents of the Club shall be determined by the Board.
- (b) The "*KESC Organization and Policy Manual*", "*KESC Operations Manual*", "*KESC Aquatics Supervision Plan*" and "*KESC Rules and Regulations*" are recognized as official documents of the club.

ARTICLE XIII DISSOLUTION OR LIQUIDATION

In the event of dissolution or liquidation of the Club, after payment of all debts and the liquidation of all liabilities, the assets of the Club shall be disposed of as follows:

- (a) There shall be a pro-rata distribution among the holders of outstanding loan certificates at the time of dissolution, provided however, that the maximum amount paid any holder of such a loan certificate shall be the amount stated on the loan certificate, and upon such payment to the holder of the loan certificate, the certificate shall be assigned to the Club and canceled.
- (b) After retirement of any loan certificates, the remaining assets shall be distributed, pro-rata, among the outstanding Membership Certificate holders.

ARTICLE XIV AMENDMENT OR REVISION

- (a) Proposed amendments and/or revisions to these Bylaws or any portion hereof may originate with the Board, Bylaws Committee or by a written petition signed by ten (10) members eligible to vote.
- (b) These Bylaws may be amended or revised by a two-thirds (2/3) affirmative vote of the members eligible to vote present at a duly organized membership meeting, provided that the proposed amendment(s) shall have been previously approved by a two-thirds (2/3) vote of the Board or by ten (10) members eligible to vote in writing and that notice of the proposed amendment(s), with a copy of the amendment(s) and/or revision(s), shall have been made available to each member eligible to vote at least ten (10) days prior to such meeting.

Approved February 18th, 2009 at the Annual Membership Meeting, effective February 19th, 2009.

Attested:

(signature)
Scott Peters
President

(date)

(signature)
Kimmy Hussey
Secretary

(date)

CORPORATE SEAL