



## By-laws of Chancellor Swim Club, Inc.

### Amendment Four

March 24, 2015

### ARTICLE I: CAPITAL STOCK

**Section 1:** The total number of shares of stock which the Corporation shall issue shall be 225 out of a total of 500 authorized in its charter, all of which shall have a par value of \$1.00.

**Section 2:** Any stock of the Corporation shall be saleable only to the Corporation for the price paid for the stock by its then owner and any attempt by any stockholder to sell, assign, give or otherwise transfer the stock to any other person or corporate entity shall be void and of no effect and shall not operate to transfer any other benefits of stock ownership to such transferee.

**Section 3:** The owner or owners of each share of stock for all purposes shall be the person or persons in whose name the stock appears on the transfer book of the Corporation. To affect a transfer the Secretary shall make appropriate entries on the transfer books and shall issue a new certificate from the Corporation to the transferee. At all meetings of the stockholders one vote shall be cast for each share of stock.

### ARTICLE II: STOCKHOLDERS' MEETINGS

**Section 1:** The annual meeting of the stockholders shall be held on or before April 15 of each calendar year at such time and place as the Board of Directors shall designate. At least ten (10) days, but not more than thirty (30)

days before the date of an annual meeting of the stockholders, the Secretary shall cause written notice of the time and place thereof to be mailed or delivered to each stockholder at the address appearing for such stockholder on the records of the Corporation. The proposed budget shall be included with the aforementioned written notice. At the annual meeting, the proposed budget for the Corporation shall be presented, modified as necessary, and voted on by the stockholders.

**Section 2:** A special meeting of the stockholders may be called by five or more of the Directors. Upon written request of not less than 25 percent of the stockholders, a special meeting of the stockholders shall be called by the Board of Directors at a date not less than ten (10) days nor more than thirty (30) days after the Board of Directors' call or receipt of such request. Notices of special meetings in all instances will be mailed or delivered to each stockholder at least ten (10) days, but not more than thirty (30) days before the date of such meeting, and shall state distinctly the objects and purposes of the meeting, and no business other than that for which it is called shall be presented or transacted.

**Section 3:** At any stockholder meeting, 15 percent of all of the stockholders in good standing shall constitute a quorum, except as otherwise therein provided, a simple majority vote shall be sufficient to transact business at any meeting. No proxy vote shall be accepted.

**Section 4:** The ruling of the President or other presiding officer as to eligibility of stockholders to vote shall be final.

### ARTICLE III: DIRECTORS

**Section 1:** The governing body of the Corporation shall be a Board of Directors consisting of nine (9) stockholders. The property and operations of the Corporation shall be managed by the Board of Directors.

**Section 2:** At each annual meeting three directors shall be elected to serve for a term of three years each to replace the three directors whose terms expire. In voting for directors, each stockholder may cast one vote for each seat to be filled for each share of stock registered in his or her or their names. Each director shall be a stockholder and shall receive no compensation for his or her services as a director.

**Section 3:** Newly elected directors shall commence their terms of office, and their predecessors shall terminate their terms of office as of the close of the annual meeting of stockholders at which such election occurs.

**Section 4:** The transfer by a director of his or her stock in the Corporation shall operate as a resignation of his or her office.

**Section 5:** When a vacancy occurs on the Board of Directors at least two months prior to an annual meeting, such vacancy may be filled temporarily; i.e., until the next annual meeting by the Board of Directors.

**Section 6:** If a director fails to attend three meetings of the Board of Directors, without sufficient cause as determined by the Board of Directors, or otherwise fails to perform any

of the duties revolving upon him as a director, his or her office may be declared vacant by the Board of Directors and the vacancy filled as herein provided.

**Section 7:** Any director may be removed from office by the affirmative vote of two-thirds of the stockholders present in person at a special meeting called for the purpose, but only after an opportunity has been given him to be heard. This constitutes removal from both the executive office held and from the board of directors.

**Section 8:** No family members may serve on the board simultaneously if they are related within two degrees by blood, marriage or adoption.

**Section 9:** All property belonging to Chancellor Swim Club, tangible or intangible, must be returned to the corporation when a board member is no longer serving on the board. Property must be returned to Chancellor Swim Club within one week of the board member's term expiration, resignation or removal from office.

## **ARTICLE IV: DIRECTORS' MEETINGS**

**Section 1:** The first regular meeting of the directors shall be held immediately after the adjournment of the annual stockholders' meeting.

**Section 2:** Regular meetings of the Board of Directors shall be held no less than six times a year, at the discretion of the board. The President, or in his or her absence, the Vice-President, may call a special meeting of the Board of Directors at any time, and shall do so within ten days upon receipt of the written request of any three directors. Meeting notice of each meeting shall be given at least three days before the date of the meeting. Board of Directors meetings are open to all members

of the swim club (to observe only), unless an Executive Session is called. The swim club President may call an Executive Session and at the Executive Session only members of the Board of Directors shall attend. No decisions shall be made outside official meetings.

**Section 3:** The President shall call a special meeting of the Board of Directors within ten days after receipt of the written request of any 25 percent of stockholders at which meeting said stockholders or their representatives may attend to present any problem and propose solutions for consideration by the Board.

**Section 4:** A majority of the Directors shall constitute a quorum.

**Section 5:** Meetings shall be presided over by the President, or in his or her absence by the Vice-President. In the absence of both the President and the Vice-President, the Board of Directors shall elect a presiding officer for that meeting.

**Section 6:** Written records of all business transacted by the Board of Directors shall be maintained by the Secretary or person designated by the Board. The Secretary shall make available the aforementioned records to any stockholder requesting such records.

## **ARTICLE V: OFFICERS**

**Section 1:** The officers of the Corporation shall be a President, a Vice-President, a Treasurer, and a Secretary, all of whom shall be elected by the Board of Directors for a term of one year at the first meeting following the annual meeting of the stockholders, and shall hold office until their successors are elected and qualified. No one other than Directors shall be eligible to serve as President and Vice President of the Corporation.

**Section 2:** The President shall preside at all meetings of the stockholders and the Board

of Directors. He/she shall perform such other duties as may be directed by resolution of the Board of Directors.

**Section 3:** The Vice-President shall have and exercise all the powers, authority, and duties of the President during the absence of the latter or his or her inability to act. He or she will also assure that all meetings are conducted in accordance with Robert's Rules of Order.

**Section 4:** The Treasurer shall have custody of all funds, securities, fiscal papers, and other intangible assets of the Corporation. He/she shall ensure collection of the revenues of the Corporation and payment of its bills as authorized by the Board of Directors. He/she shall provide and maintain full and complete records of all assets and liabilities of the Corporation. He/she will prepare and submit at each regular meeting of the Board of Directors a financial statement of the condition of the Corporation as of the last day of the preceding month. He/she shall maintain the transfer books of capital stock of the Corporation and the membership records of the Club. He/she shall administer a petty cash fund as authorized by the Board of Directors. The Board of Directors shall secure the faithful performance of the Treasurer by means of an adequate bond.

**Section 5:** The Secretary shall prepare and maintain full minutes of all meetings of the stockholders and the Board of Directors. Such minutes shall be approved by a majority of the Board of Directors at the next scheduled meeting. He/she shall conduct all correspondence of the Corporation. He/she shall have custody of the seal of the Corporation and all valuable papers other than those kept by the Treasurer, and perform such other duties as customarily pertain to his or her office.

**Section 6:** When an officer is absent or otherwise unable to perform the duties of his or her office, the Board of Directors may designate

another member of the Board of Directors to act temporarily in his or her place.

**Section 7:** Any officer of the Corporation may be removed from office by the affirmative vote of two-thirds of the directors present at a regular or special meeting of the Board of Directors, but only after an opportunity has been given him/her to be heard. Any officer of the Corporation may be removed from office by the affirmative vote of two-thirds of the stockholders present in person at a special meeting called for the purpose, but only after, an opportunity has been given him/her to be heard. This constitutes removal from both the executive office held and from the board of directors.

**Section 8:** The officers of the Corporation shall be exempt from any civil litigation by the Corporation for action taken on behalf of the corporation if those actions have been made in good faith and such officers shall be defended and held harmless in any such action brought by stockholders or others.

## **ARTICLE VI: PROPERTY AND FINANCES**

**Section 1:** The Corporation is not authorized to contract for any obligation in excess of its net worth.

**Section 2:** Real Property of the Corporation shall be sold or transferred only after approval by a majority of the stockholders at a regular meeting or a meeting especially called for said purpose.

**Section 3:** The accounts of the Corporation shall be reviewed annually by a person or persons designated by the Board of Directors. The report of this review shall be presented at the annual meeting of the stockholders. The reviewer shall not be either an officer of the Corporation or a member of the Board of Directors. The fiscal year of the Corporation is

January 1 through December 31.

**Section 4:** The funds of the Corporation shall be deposited only in a bank or institution whose deposits are insured by the Federal Deposit Insurance Corporation. All funds of the Corporation shall be deposited in such qualified depository or depositories as the Board of Directors may from time to time, by written resolution designate, and shall be so deposited within seventy-two (72) hours of their receipt, provided, however, that receipts in the aggregate of \$100.00 or less need not be deposited more often than once a week.

**Section 5:** All disbursements of funds of the Corporation shall be made by checks signed by any one authorized signatory who will include the President, Vice President, Secretary, and Treasurer. Checks may also be disbursed using the electronic bill pay feature from the Bank/ Financial Institution.

**Section 6:** The funds of the Corporation, except those on deposit as provided in Section 4 or those invested in recreational facilities and property, may be invested only in obligations of the United States Government or with government insured financial institutions. They may not be loaned to, or invested with any officer, director, or member of the Corporation.

**Section 7:** The Board of Directors is authorized to appoint such special committees as it shall deem necessary for the welfare of the Corporation. Committees must report to the Board of directors prior to taking any action that obligates the Board of Directors.

**Section 8:** No obligation or expenditure outside the approved budget total may be made by a committee, officer, or member of the Board of Directors unless such obligation or expenditure is approved by the stockholders in a meeting especially called for that purpose. Emergency repairs necessary to keep the facility operating

can be obligated by the three members of the Board to include the President or Vice President and the decision ratified at a subsequent stockholders' meeting.

**Section 9:** Purchases made for Chancellor Swim Club over the amount of \$250 shall be made with the corporate bank card or a Chancellor Swim Club check. Purchases over \$250 cannot be made on personal bank cards to be reimbursed to the member.

## **ARTICLE VII: MEMBERS**

**Section 1:** The members of the Club shall be entitled to full use of the pool and other recreational facilities and shall be divided into the following classes:

A. Active Members: Those persons who have applied for and been approved for membership and own one or more shares of stock of the corporation.

B. Associate Members: Those family members living in the household and dependent for support upon an active member.

**Section 2:** All other applications for Associate membership are subject to approval by the Board of Directors.

### **Section 3:**

A. All classes of members shall be subject to the Corporation charter and By-laws and its rules and regulations.

B. Any property of the Corporation broken or damaged by a member or his or her guest shall be paid for promptly by such member. If such restitution remains unpaid for 60 days, the member will be subject to the sanctions set forth in subsections D and E of this Section.

C. The Corporation assumes no responsibility for, and members and their guests can have no claim against the Corporation for, the property of members or any guest, which may be brought into or left in the Corporation buildings or on the grounds.

D. Any member may be suspended from using the pool and recreational facilities for a period of no greater than seven (7) days by a majority vote at a Board of Directors meeting or by authority delegated to the Pool Manager for:

- a. Violation of the By-Laws or the rules.
- b. Acts endangering the safety, health, morals, and property of the members and other persons on the grounds of the Corporation.
- c. For disturbing the peace of persons on the grounds of the Corporation.

E. Suspension of a member for failure to pay operating dues by the due date shall be automatic and shall require no approval of the Board of Directors.

F. The Board of Directors may suspend for more than seven (7) days or expel any member by a majority vote of the Directors present a regular or special meeting, but only after such member has been given an opportunity to be heard.

G. Unpaid annual operating dues, late fees, other fees, or restitution required under Subsection B of this Section, shall constitute a charge against the active members' stock and shall upon sale of such stock by the active member to the Corporation be deducted and retained by

the Corporation prior to payment to the member.

H. In the event that joint stockholders are divorced, they may retain joint membership by virtue of their stock, but only for the active and associate members at the time of divorce. If either joint stockholder wishes to apply for separate membership, he/she will receive priority consideration in the application process.

I. If operating dues, late fees and any other fees are not paid within six months of due date, stockholders will lose their share of stock.

J. Refusal to turn over Chancellor Swim Club property by a board member will result in said board member's reimbursing Chancellor Swim Club for any legal fees necessary for recovery or loss prevention.

K. If a member is expelled for cause, they will not be permitted on pool property.

## **ARTICLE VIII: ANNUAL OPERATING DUES**

**Section 1:** The Board of Directors shall fix the annual operating dues for stockholders and the dates on which such dues shall be payable.

**Section 2:** No operating dues shall be refunded in the event that (1) pool operations are required to be suspended or delayed for any reason; or (2) a member is suspended or expelled per Article VII, Sec. 3D or E.

## **ARTICLE IX: GENERAL**

**Section 1:** No business shall be conducted by the Corporation, nor any activity carried on, or any resolution approved which will or may have the effect of disqualifying the Corporation's

members from exemption from excise taxes imposed by the United States Internal Revenue Code.

**Section 2:** The Corporation endorses the operation of a swim team for the benefit of the shareholders' children. Pool facilities will be made available for swim team practices, the hosting of swim meets, and any required rain dates for swim meets. Rain dates will generally be scheduled for the day following a regularly scheduled date. To minimize the impact upon the general membership's use of pool facilities, swim team practices shall be limited to the following times:

A. Prior to the commencement of summer vacation by the Spotsylvania County School System, swim team practices shall begin no earlier than 5:00 P.M. and no later than 6:00 P.M. and shall not exceed 2 hours each day.

B. After commencement of summer vacation by the Spotsylvania County School System, swim team practice on Monday thru Friday shall end by 11:00 A.M.

C. No swim team practice shall be held on Sunday or a legal holiday.

D. Swim clinics may be held on Saturday and shall end by 11:00 A.M.

## **ARTICLE X: AMENDMENTS TO BY-LAWS**

**Section 1:** Amendments to these By-Laws may be adopted by the affirmative vote of a majority of the stockholders present in person at a duly held meeting of the stockholders, when the proposed amendment has been set out in the notice of such meeting.