

# BYLAWS OF BAYSIDE SWIMMING CLUB

- (4) The Treasurer shall have the custody of all corporate funds and maintain all corporate financial records; keep full and accurate accounts of receipts and disbursements; render accounts thereof at the Annual Stockholders' Meeting and whenever else required by the Board of Trustees or the President; and perform such other duties as may be prescribed by the Board of Trustees or the President.

## SECTION III: REMOVAL OF OFFICERS.

- (1) An officer or agent elected or appointed by the Board of Trustees may be removed by the Board whenever, in its judgment, the best interests of the Corporation will be served thereby.
- (2) In the case of death, resignation, or removal of any officer, the Board of Trustees shall select his/her replacement who shall hold office for the unexpired term and until a successor is duly qualified.

## ARTICLE VI – DUES

SECTION I: All dues, assessments, and penalties for nonpayment of dues and/or assessments, shall be established by the Board of Trustees as stated in the Standing Rules and Procedures.

SECTION II: A Capital Improvements Fund may be created and all active and inactive stockholders may be assessed for the purpose of funding major improvements to the facilities of Bayside Swimming Club as stated in the Standing Rules and Procedures.

## ARTICLE VII – AMENDMENTS

SECTION I: These Bylaws laws may be amended or repealed in whole or in part and new Bylaws adopted by a vote of two-thirds of the Trustees voting thereon and such amendments shall have full force and effect pending its submission to the Annual Stockholders' Meeting or any special meeting which may be called for that purpose. The amendments(s) and/or new Bylaws shall be adopted by a vote of the majority of the active stockholders attending any regular or special meeting of the stockholders if the notice of such meeting contains a brief statement of the proposed amendment.

## ARTICLE VIII – STANDING RULES AND PROCEDURES

SECTION I: Standing Rules and Procedures shall be established by the Board of Trustees with respect to the ongoing affairs of the club and shall be updated as needed to reflect operating procedures necessary to manage the corporation and its membership.

## ARTICLE IX – LIQUIDATION OF THE CORPORATION

SECTION I: Bayside Swimming Club may be liquidated upon the recommendation by the Board of Trustees if approved by a two-thirds (2/3) majority vote of active stockholders. In the event of liquidation, either voluntary or involuntary, the holders of stock of record shall share pro rata in the assets of the corporation.

## ARTICLE I – MEMBERSHIP

SECTION I: There shall be three classes of memberships: Active Stockholders, Inactive Stockholders, and Summer Members.

A: ACTIVE STOCKHOLDERS shall be those persons who have been accepted for membership by the Board of Trustees, who have purchased a membership share and who, unless excused in whole or in part by the Board of Trustees, have paid all dues and assessments which have become due from the date of their acceptance. Active stockholders, their spouses/domestic partners and other members of their immediate families residing in one household shall have full rights to the use of facilities of Bayside Swimming Club.

B: INACTIVE STOCKHOLDERS shall be those persons who have been accepted for membership by the Board of Trustees, who have purchased a membership share, and who have under such rules as the Board of Trustees shall adopt, been transferred from the active stockholder class to the inactive stockholder class. Inactive stockholders must pay dues and assessments established by the Board of Trustees, as stated in the Standing Rules and Procedures. Inactive stockholders, their spouses/domestic partners, or other members of their families shall have no right to use the facilities of Bayside Swimming Club except as may be established by the Board of Trustees as stated in the Standing Rules and Procedures and shall have no voting rights.

C: SUMMER MEMBERS shall be those persons who have been accepted as such, on an annual basis, by the Board of Trustees and who have paid all dues and assessments established by the Board of Trustees as stated in the Standing Rules and Procedures. Summer members shall have no voting rights. They and their immediate families residing with them in one household shall have full rights to the use of the facilities of Bayside Swimming Club.

SECTION II: LOST STOCKHOLDERS shall be those stockholders whose whereabouts are unknown. New stock may be issued to compensate for the loss of revenue. Lost stockholders will no longer be entitled to membership unless they agree to pay back assessments as established by the Board of Trustees. Stock belonging to a Lost Stockholder will not be counted in the number of shares outstanding.

SECTION III: STOCKHOLDER IN ARREARS: When a stockholder fails to pay in full dues, assessments and/or fees for two (2) or more billing periods, the Board of Trustees may elect to buy back the stock by paying the difference between the transaction price of the stock and the outstanding amount due. A stockholder who is behind in payment of dues, assessments and/or fees in any amount will not receive an increase in the transaction price of stock until all such deficits are paid in full. Stockholders in arrears shall have no right to use the facilities of Bayside Swimming Club except as may be established by the Board of Trustees as stated in the Standing Rules and Procedures and shall have no voting rights.

## ARTICLE II – STOCK CERTIFICATES

SECTION I: The number of stock certificates outstanding shall be regulated by the Board of Trustees and will be limited to one share per household.

SECTION II: There shall be two classes of stock certificates: OLD STOCK CERTIFICATES purchased prior to December 31, 1975 and NEW STOCK CERTIFICATES purchased after December 31, 1975. Transfer of ownership of an OLD STOCK CERTIFICATE after December 31, 1975 changes the classification of that stock to NEW STOCK CERTIFICATE

A: The owner of OLD STOCK CERTIFICATES shall have the option of selling his/her stock with his/her home or by the procedure defined for the transfer of stock.

B: NEW STOCK CERTIFICATES are transferable only through the club under rules approved by the Board of Trustees. These rules, however, shall not abridge the right of any member to transfer a stock to either a son or daughter.

SECTION III: The transaction price of stock will be determined prior to the Annual Stockholders' Meeting by the Board of Trustees as stated in the Standing Rules and Procedures.

SECTION IV: When a stockholder wishes to sell his stock, it must be sold through the club to the club's designee from the club's waiting list. If there is no one on the club's waiting list, the stockholder wishing to sell must find an individual meeting the rules set by the Board of Trustees to join the waiting list.

SECTION V: Membership in the club may be forfeited for failure to abide by the club rules or any conduct prejudicial to the best interests of the club as determined by the Board of Trustees.

SECTION VI: LOST, STOLEN, OR DESTROYED CERTIFICATES: If a shareholder claims to have lost or destroyed a Stock Certificate, upon the making of an affidavit of such claim, the Board of Trustees may at its discretion direct that a new Stock Certificate be issued to the shareholder in place of the lost or destroyed Stock Certificate.

SECTION VII: Procedures for transfer of Stock Certificates due to divorce, dissolution of domestic partnership, or death of family members shall be established by the Board of Trustees as stated in the Standing Rules and Procedures.

### **ARTICLE III – MEMBERSHIP MEETINGS**

SECTION I: The annual meeting of the active stockholders of this club shall be held during the month of February and shall be called the ANNUAL STOCKHOLDERS' MEETING.

SECTION II: Special meetings of the active members shall be called by the President, a Trustee, or when 10% of the active stockholders petition the Trustees in writing stating the specific business desired.

SECTION III: Notice of the annual or special meetings shall be given by the Secretary or other authorized officer at least 10 days prior to the day on which said meeting shall be held.

SECTION IV: At every meeting each active stockholder or spouse in attendance shall be entitled to cast one vote. Voting by proxy shall not be permitted.

SECTION V: A quorum for each meeting of the membership shall be 10. Robert's Rules of Order shall be used.

### **ARTICLE IV – TRUSTEES**

SECTION I: The affairs of the Club shall be managed by a Board of Trustees consisting of nine stockholders and/or their spouses elected to serve for the duration of their term or until their successors are elected and qualified. Trustees shall be elected for a three-year term. A Trustee shall not be paid compensation for services rendered as a board member, except the Board of Trustees may provide one year complimentary memberships to one or more Trustees or members as deemed appropriate for unusual service to the club.

SECTION II: A nominating committee composed of three active stockholders, appointed by the president, shall present a list of candidates for the positions of Trustees at the annual

membership meeting. Nominations shall be accepted from the floor. If a quorum of 10 is not present, the Board will elect at the Trustees' meeting following.

SECTION III: In the event of the death or resignation of a Trustee, a successor shall be appointed by the Board for his/her unexpired term.

SECTION IV: The Board of Trustees shall have management and control of the business affairs of the club.

SECTION V: A majority of the Board of Trustees shall constitute a quorum for the transaction of business.

SECTION VI: Meetings of the Board of Trustees may be called by the President or any other officer and shall be held by notice through word of mouth, telephone, telegram, email, or letter received no later than the day immediately preceding the day of the meeting.

SECTION VII: The annual meeting of Trustees, at which time the officers shall be elected, shall be held immediately following the adjournment of the Annual Stockholders Meeting.

SECTION VIII: The President or Board of Trustees may appoint committees as deemed appropriate. The Board of Trustees shall authorize and define power and duties of all committees.

SECTION IX: INDEMNIFICATION OF TRUSTEES: The Club shall indemnify any Trustee or former Trustee if the Club against judgments, penalties, fines, settlements, and reasonable expenses actually incurred by him or her in connection with any proceeding to the fullest extent authorized and subject to the provisions of Chapter 23A.08.025, Revised Code of Washington, as now enacted or as hereafter amended. The risk covered by this indemnification may be protected against by the purchase, maintenance and payment of premiums for such insurance as in the discretion of the Board is appropriate. This right of indemnification shall also be extended to the Officers and General Manager and other supervisory personnel as the Board deems appropriate. Indemnification shall not be exclusive of other rights to which such Trustee may be entitled as a matter of law.

### **ARTICLE V – OFFICERS**

SECTION I: The officers of this Club shall be the President, Vice President, Secretary, and Treasurer. Officers will be elected annually by the Trustees at the meeting following the Annual Stockholders Meeting and will hold office until a successor has been elected and qualified. All officers shall be Trustees, except the Treasurer may be an Ex Officio Board member.

SECTION II: DUTIES. The officers of this Corporation shall have the following duties:

- (1) The President shall be the chief executive officer of the Corporation, shall have the general and active management of the business and affairs of the Corporation subject to the directions of the Board of Trustees, and shall preside at all meetings of the Shareholders and Board of Trustees.
- (2) The Vice President(s), in the order designated by the Board of Trustees, or lacking such a designation by the President, shall, in the absence of the President, perform the duties and exercise the powers of the President and shall perform such other duties as may be prescribed by the Board of Trustees or the President.
- (3) The Secretary shall have the custody of and maintain all corporate records except financial records; record the minutes of all meetings of the Shareholders and the Board of Trustees; and perform such other duties as may be prescribed by the Board of Trustees or the President.