

**BY-LAWS**  
**GRAYLYN CREST III SWIM CLUB, INC.**

**ARTICLE I: NAME**

**Section 1.1**

The name of the Corporation shall be The Graylyn Crest III Swim Club, Inc. ("Club").

**ARTICLE II: OBJECT**

**Section 2.1**

The object and purpose for which this non-profit corporation is organized is to promote the health and general welfare of its membership and in pursuance thereof to construct, own, and operate a swimming pool and other recreational facilities together with such incidental objects as are appropriate in the conduct of its activities in the County of New Castle and State of Delaware.

**ARTICLE III: BOARD OF DIRECTORS**

**Section 3.1**

The business and affairs of the Club shall be managed by the Board of Directors ("Board") who shall be members or associate members of the Club, over 18 years of age.

**Section 3.2**

The Board shall consist of up to 12 members or associate members, to be elected, as needed, for three year terms. At each Annual Meeting, vacant Directors positions shall be elected and will serve for terms of three years or until their successors shall have been chosen. A simple majority of the Board shall constitute a quorum. Directors shall serve without compensation. Only members and associate members in good standing, as defined by the Board, and present at the annual meeting or by written proxy shall vote for Directors.

**Section 3.3**

The Board of Directors shall have the sole power:

- A. To purchase, lease or otherwise acquire property, rights or privileges for the Corporation, which the Corporation has the power to take, at such prices and on such terms as the Board of Directors may deem proper.
- B. To create, make and issue mortgages, bonds, deeds of trust, trust agreements and negotiable or transferable instruments and securities, secured by mortgages or otherwise, and to do every act and thing necessary to effectuate the same.
- C. To appoint and remove such officers, clerks, agents, contractors or employees as it deems necessary and to fix their duties and compensation.
- D. To fix, impose and collect penalties for violations of these By-Laws and Rules of the Club.
- E. To elect from the Board a President, Vice President, Secretary, and Treasurer, all of whom shall serve without compensation.
- F. To confirm appointments to committees and define their power and duties. Chairmen of such committees shall be Directors appointed by the Board.

- G. To fill any vacancy in the membership of the Board by electing a member of the Corporation to hold office until the next Annual Meeting, at which time the interim Director or a successor shall be elected to serve a full term.
- H. To elect a Nominating Committee of five Club members to present nominations for the Directors at the Annual Meeting of the Club.
- I. To designate the bank or banks in which the funds of the Club shall be deposited and determine the manner in which checks, drafts and or other instruments for the payment of funds of the Club shall be executed.
- J. The Board shall make available the unaudited financial statements of the Club, specifically the balance sheet and statement of profit and loss, to the membership on an annual basis by no later than three months following the end of the Club's fiscal year-end. Additionally, the Board shall cause the books of the Club to be available to the membership for inspection and review, upon member request, on a quarterly basis.
- K. Directors may spend corporation funds on behalf of the corporation with Board approval. Expenditures may be made using cash, check, debit card, etc.

#### ARTICLE IV: OFFICERS

##### Section 4.1

The officers of the Club shall be a President, a Secretary, a Vice President, and a Treasurer. They shall be elected by the Board from among its members and shall hold the office until the end of the first meeting of the Board following the next Annual Meeting of the Club.

##### Section 4.2

The President shall preside at the meetings of the Club and of the Board. He / She shall be the administrative officer of the Club. He/She shall appoint, subject to confirmation by the Board, all standing committees, designating the Chairperson thereof, and all special committees except the Nominating Committee, as may be directed. He / She shall be an ex-officio member of all committees, without voting power. He/She shall issue an annual spring newsletter ("Newsletter") which will contain annual dues and fees schedules and which may also contain rules and regulations, dues forms, and other pertinent swim season information.

##### Section 4.3

The Vice President, in the absence or disability of the President, shall act in his / her stead. He / She shall also have their other duties as defined and assigned by the Board of Directors. He/She shall be responsible for communicating with members regarding unpaid dues and/or rules violations.

##### Section 4.4

The Secretary shall act as a clerk; and shall ensure that all votes and minutes of all proceedings are recorded in a book to be kept for that purpose. He/She shall keep a file for all record purposes of all committee reports. He / She shall attend to the correspondence pertaining to his / her office. He / She shall send notices of all meetings of the Club and of the Board.

##### Section 4.5

The Treasurer shall keep the accounts of the Club, collect its revenues, and pay its bills as approved by the Board. He / She shall deposit funds of the Club received by him / her, in the name of Club, in such depository as may be authorized by the Board. He/She shall report on the finances of the corporation to the directors at regular Board meetings or as otherwise prescribed by the Board.

#### Section 4.6

The Board at its discretion may require any of the officers mentioned in this Article to be bonded in an amount satisfactory to the Board.

#### Section 4.7

The Treasurer and President shall have responsibility for signing new Bond Certificates.

### ARTICLE V: MEMBERSHIP

#### Section 5.1

All individuals 18 years of age or older shall be eligible to apply for membership subject to conditions hereinafter provided.

#### Section 5.2

The number of active membership certificates shall not exceed two hundred seventy five (275).

#### Section 5.3

A member (bondholder) shall be defined as any person of a household, 18 years of age or older, who holds a certificate of membership in good standing.

#### Section 5.4

Associate members shall be defined as persons in the immediate household unit of a member who have reached their second birthday on or before May 1 of the current year.

#### Section 5.5

- A. Upon receipt of an application and application fee, the Membership Chairperson will decide whether to recommend membership. Upon approval, the applicant's name will be placed on the waiting list according to the date the application is received.
- B. As vacancies occur, the Board of Directors shall authorize the Membership Chairperson to notify applicants of their admission in consecutive sequence from the waiting list, except as noted otherwise in Section 5.6. The Club Secretary will issue a signed certificate upon receipt of the Bond certificate fee and required annual dues.

#### Section 5.6

A perpetual membership may be granted to senior members who meet the following qualifications. A maximum of ten such memberships will be available on a first come first serve basis.

- A. Senior member must have been a bond holder for at least ten years.
- B. Senior member agrees to have his/her bond placed on a "call" list. If needed (i.e. when there are no other available bonds), the Board may randomly select from the "call" list. The senior member will surrender his/her bond for redemption at par minus twenty dollars. Under this agreement, the Board will extend perpetual membership to the senior member. NOTE: If the senior member decides to place his/her bond on the "withdrawal" list, the terms of the perpetual membership are terminated when the members name falls within the top fifteen names on the list.
- C. Perpetual memberships will be granted to the bondholder at one-half the regular rate to the nearest ten dollars (2017 rate: \$160.00). One additional relative (residing in the same household, over the age of 21) may be included for an additional premium (2017 rate: \$25). There will be no guest privileges. This amendment is subject to yearly review and approval.

## ARTICLE VI: RULES AND REGULATIONS

### Section 6.1

The following rules and regulations shall apply and shall be incorporated into the Newsletter and shall be posted at the Club's premises every swim season.

- A. Members and associate members and their guests shall not engage in indecent or otherwise offensive conduct or use profane language or vulgar language on the Club premises.
- B. Alcoholic beverages may be consumed in a responsible manner on club property by members, associate members and guests who are of legal drinking age. The Board reserves the right to request proof of legal drinking age.
- C. Glass containers are prohibited on club premises.
- D. Members, associate members, and their guests shall at all times strictly adhere to Club rules, and pool, grounds, safety and sanitary regulations.
- E. Members, in respect to the applicable rules and regulations, are responsible for the conduct of their guests and the guests of associate members. Guests shall be accompanied by their host member or adult associate member at all times while on club property.
- F. The President, the Chairperson of the Operations Committee, or a responsible employee of the Club each have the power to summarily suspend the pool privileges of a member, associate member or guest for the violation of Club rules and regulations, provided such suspension does not exceed seven (7) days. A written report of such suspension, containing reasons thereof, shall be submitted to the President within twenty-four (24) hours.
- G. Any member may be expelled for a violation of the Club rules and regulations, or non- payment of dues and fees, by a two third (2/3rd) vote of the Board. The Board shall afford the opportunity for a hearing before expelling a member.

## ARTICLE VII: DUES AND FEE

### Section 7.1

Each member shall pay annual dues and an annual maintenance fee, the amounts of which shall be provided to the membership via the Newsletter. Furthermore, dues shall also be paid annually for additional family members (a.k.a., associate members) in the amounts as stipulated via the schedule provided in the Newsletter.

New members accepted after the billing date for dues must pay dues within fifteen (15) days after accepting membership or on or before the date established in Section 7.5 for the current year, whichever period is longer. Dues not paid within the prescribed period as set forth in the Newsletter shall be considered delinquent and shall be subject to penalty as set forth under Section 7.5 below. The dues and any other required fees for persons offered membership after July 15th shall be prorated.

### Section 7.2

No dues or part thereof shall be refunded, except as stated in Section 7.7 below or as determined by the Board of Directors.

### Section 7.3

Application fees for persons being added to the posted waiting list will be set by the Board.

### Section 7.4

Guest fees and quotas will be as fixed by the Board and as set forth in the Newsletter.

### Section 7.5

The established annual membership dues and all applicable fees shall be paid as of the date fixed by the Board and as set forth in the Newsletter. All dues not paid in full on this date will be delinquent. Members with delinquent dues may have their swimming privileges forfeited for that reason, at the discretion of the Board. Any discount for early payment of dues shall be at the discretion of the Board and shall be posted in the Newsletter.

### Section 7.6

The applicant for membership shall, as a condition of membership, purchase a certificate described in Section 8.1 for the sum of three hundred dollars (\$300.00). He / She shall pay this sum in full within ten (10) days of the tender of membership, and failing to do so, shall be removed from the waiting list and shall forfeit any deposit.

### Section 7.7

The dues for any person on the Withdrawal List shall be refunded pro rata as follows:

- A. The member must be on the Withdrawal List prior to the first of May of the swim season.
- B. The refund shall be based on the number of days "used" until the withdrawal becomes effective against the number of days in the swim season.

### Section 7.8

A minimum charge equal to the primary member's annual dues (as provided in the Newsletter) per bondholder will be charged for all active members (bondholders) whether or not they use the pool facilities during the swim season. This charge if not paid during the year incurred will be collectible the next succeeding year in addition to normal dues, and if not paid at that time as required, shall result in the forfeiture of the bond.

### Section 7.9

A redemption fee of twenty dollars (\$20.00) will be deducted from each member's certificate redemption of three hundred dollars (\$300.00), when such member's withdrawal becomes effective. The withdrawal becomes effective when the following membership withdrawal steps have been satisfied:

- A. Prior to the first of May of the swim season, the Membership Chairperson has received written notice from the member stating their intention to withdraw.
- B. The Membership Chairperson acknowledges in writing to the intended member, receipt of the written notice to withdraw and places the member's name on the Withdrawal List.
- C. The intended member has been notified by the Membership Chairperson of the intended member's withdrawal status, and subsequently has been notified by the Membership Chairperson to forward his/her certificate to the Membership Chairperson. Certificates will be redeemable in the order presented for redemption. The intended member must respond to the Membership Chairperson's written notice and remit their bond by the deadline noted in the letter.
- D. In no event shall a certificate be redeemed if to do so would reduce the number of valid and outstanding certificates to below two hundred seventy five (275).
- E. Upon receipt of the intended member's certificate (or upon receipt of a notarized affidavit of lost certificate - form available on the Club website), a written withdrawal notice will be transmitted by the Membership Chairperson to the Treasurer.

- F. The Treasurer will remit payment to the intended member for the value of the certificate less the redemption fee.
- G. If the intended member does not respond to the Membership Chair person's written notice of bond redemption by the date noted in the letter, their bond will be considered forfeited.

Section 7.10

Additional revenue may be obtained through assessment of all members at the discretion of the Board. The amount of such assessment will be set forth in the Newsletter as additional dues for the swim season.

Section 7.11

Once a bondholder's name moves up to any of the first fifteen names on the withdrawal list, that bondholder will not be permitted to retain that position on the withdrawal list and at the same time continue to enjoy swimming privileges by paying his/her yearly dues. Bondholders who are within the top fifteen names and continue to swim by paying their yearly dues will have their names automatically moved to the bottom of the withdrawal list.

ARTICLE VIII: CAPITALIZATION

Section 8.1

The Club shall be capitalized by the sale of two hundred and seventy five (275) non-interest bearing certificates of three hundred dollars (\$300.00) face value.

Section 8.2

Additional capitalization certificates may be issued upon approval of two thirds (2/3rd) of those attending a special or annual meeting duly called, and/or by written proxy.

Section 8.3

Certificates shall be non-transferable. In no event shall a certificate be redeemed if to do so would reduce the number of valid and outstanding certificates to below two hundred seventy five (275). Certificates shall also be callable at the discretion of the Board, at par less twenty dollars (\$20.00) redemption fee.

ARTICLE IX: DISSOLUTION

Section 9.1

In the event of the dissolution of the Club in any manner for the cause, the certificates are a lien on the assets of the Club, after payment of bills having legal precedence. After payment of all certificates outstanding upon the effective date of dissolution of the Club, the surplus remaining shall be distributed equally among Club members in good standing. The latest State of Delaware statutes on rulings regarding such nonprofit Corporation dissolution shall be complied with.

ARTICLE X: MEETINGS

Section 10.1

- A. The Annual Meeting of the Club shall be held each year after the year of incorporation, at such place and time as the Board may determine, within 120 days of the end of the club's fiscal year (September 30). Notice of the Annual Meeting shall be given by mail or electronic communication to the members at least fifteen (15) days prior thereto.
- B. The Annual Meeting shall be for the purpose of electing Directors, presenting Committee reports, and for transaction of such other business as may be indicated in the notice or may be brought before it in written request of a member submitted seven (7) days in advance of the meeting.
- C. The names of the any candidates for Directors positions nominated by the Nominating Committee shall be communicated to the membership prior to the Annual Meeting.

### Section 10.2

Special meetings of the Club may be called by the Board. Also, upon the written request of ten percent (10%) of the active members, to the Secretary, stating the purpose thereof; a Special Meeting shall be called by the Secretary within thirty (30) days. Notice of Special Meetings shall be given by mail or electronic communication to members at least fifteen (15) days prior thereto. The notice shall state the purposes for which the Special Meeting is called and no other business shall be transacted therein.

### Section 10.3

Only members shall be entitled to vote at the meetings of the Club. They may be represented by written proxy if unable to attend in person. Voting may be by voice vote, but ten (10) members including those represented by proxy shall have the right to demand voting by roll call.

### Section 10.4

Seven (7) members of the Board plus all other members present in person or by written proxy shall constitute a quorum of members at all Club meetings.

### Section 10.5

Whenever in these By-Laws notice is required, the mailing of such notices to the last known address of the member shall constitute notice. Notice by electronic media to the last known email address of the member may substitute for paper mail at the discretion of the Board.

### Section 10.6

- A. The Board shall hold its first meeting within thirty (30) days after the Annual Meeting of its members.
- B. The Board may, by resolution, establish from time to time a schedule of its other meetings and rules for conduct thereof.
- C. Special meetings of the Board may be called by the President, and shall be called by the Secretary upon the request of two members of the Board.

## ARTICLE XI: NOMINATIONS

### Section 11.1

The Nominating Committee shall nominate at least one candidate for each vacancy in the Board to be filled at the Annual Meeting and shall report such nominations to the Secretary on prior to the Annual Meeting each year. (See Article III, Section 3.3-H)

### Section 11.2

Nominations may be accepted from the floor at the Annual Meeting.

## ARTICLE XII: COMMITTEES

### Section 12.1

The standing committees shall be Operations, Membership, Finance, Social and Athletics. The Operations Committee shall exercise supervision over daily management of the pool covering the employees, operational supplies and utilities, and adherence to the Pool Rules and Regulations. The Engineering Committee shall attend to the improvement and maintenance of the pool, buildings, and operating equipment. The Grounds Committee shall attend to the grounds. The Finance Committee shall attend to the Club budget and financial statements. The Social Committee shall attend to the Club parties and entertainment. The Athletic Committee shall attend to the swim team. These committees shall have authority over their respective charges, and shall see that the rules and regulations of the Club are enforced.

### ARTICLE XIII: MISCELLANEOUS

#### Section 13.1

- A. 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 him/her in connection with the defense of any action, suit or proceedings to which he/she is made a party by reason of his being or having been a Director or Officer of the Club, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or with full misconduct, and except any sum paid for the Club in settlement of an action, suit or proceeding based on gross negligence or willful misconduct in performance of his duties.
- B. The right of indemnification provided herein will inure to each Director and Officer referred to in (A) above whether or not he is such Director or Officer at the time such costs or expenses are imposed or incurred, and, in the event of his/her death, shall extend to his/her legal representatives.

#### Section 13.2

Any clarifications as to meaning for proper interpretation of any of the provisions of these By-Laws shall be determined by the Board.

### ARTICLE XIV: AMMENDMENTS

#### Section 14.1

- A. These By-Laws may be amended, suspended or repealed in whole or part by two third (2/3rd) vote of the Board at any regular or special meeting, up to the time of the official Annual Meeting of the membership.
- B. At the next Annual Meeting any amendments to the By-Laws made by the Board under (A) above must be confirmed by two third (2/3rd) vote of the membership present in person or by written proxy to be valid.
- C. At the Annual Meeting, or any subsequent official meeting of the membership, these By-Laws can be amended only by two third (2/3rd) vote of the members in good standing and represented in person or by proxy, provided at least seven (7) days' notice of such amendments shall be given by mail or electronic notification (email) to the members by the Secretary.