

BYLAWS
OF
SOUTHWEST SWIMMING ASSOCIATION, INC.
A NOT-FOR-PROFIT CORPORATION ORGANIZED
UNDER THE LAWS OF THE STATE OF MISSOURI

ARTICLE I

Name of Corporation

The name of the corporation is Southwest Swimming Association, Inc., hereinafter referred to as "the Association."

ARTICLE II

Offices and Seal

- Section 1. Principal Office. The principal office of the Association shall be in Columbia, Boone County, Missouri, at such place as the Board of Directors of the Association shall from time to time select. The Association shall have and maintain in the State of Missouri, a registered office and a registered agent whose office is identical with the registered office.
- Section 2. Seal. The Association may, if its Board of Directors, in its sole and absolute discretion elects, have a corporate seal. The seal of the Association shall be circular in form and shall bear the name of the Association. The form of the seal may be changed by the Board of Directors, but shall always bear the name of the Association.

ARTICLE III

Members

- Section 1. Number. There shall not, at any time, be more than 300 memberships in the Association; provided, however, that the Board of Directors may from time to time sell to prospective members of the Association season memberships in the Association upon those terms and conditions hereinafter described. During any season of the Association the number of season memberships which may be sold by the Board of Directors of the Association shall be limited to that number of memberships in the Association for which privileges for the use of the facilities of the Association have been effectively terminated for such season.
- Section 2. Eligibility for Membership. Any individual, or husband and wife combination, approved for membership by the Association's Board of Directors, shall be eligible for membership in the Association. Membership shall be by application to the Board of Directors, upon such form as the Board of Directors shall from time to time select. If a membership is held by an individual, then such membership shall be held by such individual in his or her name. If a membership is held by a

husband and wife, then such membership shall be held by the husband and wife, as tenants by the entirety, with full rights of survivorship.

- Section 3. Membership Not Transferable. Memberships in the Association shall not be transferable. Certificates of Membership issued by the Association shall not be transferable.
- Section 4. Certificates of Membership. Memberships in the Association shall be evidenced by Certificates of Association issued by the Association's Board of Directors. Such certificates shall be in that form from time to time selected by the Association's Board of Directors. Certificates of Membership shall not be transferable. Certificates of Membership shall be issued in the name of the individual member, if membership is held by an individual, or in the name of the husband and wife, as tenants by the entirety, if the membership is held by a husband and wife.
- Section 5. Ownership of Property. All real and personal property of the Association shall be the property of the Association. No members in the Association shall have any ownership rights in the property of the Association, either real or personal.
- Section 6. Privileges of Membership. Membership in the Association shall entitle the holder or holders of the membership, and his, her or their family to all of the rights, privileges, duties and responsibilities of a member in the Association, and to full use of all facilities owned or provided by the Association. As used in this section, the word "family" shall be deemed to include the holder or holders of the membership, and the following persons:
- a. The spouse of the holder, if any;
 - b. Unmarried sons and daughters of the holder who are residing in the same household as the holder (students who attend school outside of the City of Columbia, but who reside at the residence of the holder during vacation periods shall be deemed to be residents of the holder's household);
 - c. Parents of the holder who are residing with the holder on a year- round basis;
 - d. Other blood relatives of the holder residing at the residence of the holder may be authorized to exercise privileges of the holder's membership, other than voting privileges and such privileges as an Association member may have to take instructional lessons provided by the Association, upon an "extended family membership basis". Such extended family membership shall be awarded at the discretion of the Association's Board of Directors, and upon such terms and conditions as the Board of Directors shall from time to time establish.
- Section 7. Membership Fee. Before being awarded a membership in the Association, a prospective member shall first be approved for membership in the Association by the Association's Board of Directors, and shall then tender to the Association's Board of Directors the membership fee in the Association, together with such dues and assessments as shall have been established by the Association's Board of Directors for the year in which the prospective member is to initially

become a member. The membership fee in the Association is now \$400.00. The membership fee may be increased from time to time, and to such amounts, as the Association's Board of Directors shall from time to time determine. The membership fee shall not, in any event, be decreased by the Association's Board of Directors.

Section 8. Duties of Members. Members shall have the obligation to timely pay the dues and assessments charged by the Association, and both they and the members of their family shall have the obligation to abide by the duties, obligations and rules imposed upon them by these Bylaws and by the Association.

Section 9. Termination of Membership.

A. Voluntary Termination. A membership in the Association shall be terminated by written notice of termination, by the member, which shall be delivered to the Secretary of the Board of Directors. The membership certificates shall accompany the written notice of termination. All written notices of termination must be submitted to the Secretary of the Board of Directors before April 1 of each year, otherwise the person or persons holding the membership shall be liable for the dues and assessments charged by the Association for such year.

B. Involuntary Termination. The failure of a member of the Association to satisfy the obligations to the Association to pay dues and assessments charged by the Association by the due dates established therefore, shall subject the member to automatic termination of membership, unless the Association's Board of Directors, in its sole and absolute discretion, determines otherwise. If a member or other persons using the Association's facilities pursuant to the member's membership fail to follow the duties, obligations, rules and regulations established by these Bylaws and by other rules and regulations established by the Association, then the member's membership may be involuntarily terminated by action of the Association's Board of Directors by a two-thirds (2/3) vote of those members of the Board present at any meeting thereof, if such Board of Directors, in its discretion, deems such termination to be in the best interests of the Association, provided that at least fifteen (15) days prior to such action the Board of Directors shall serve upon the member a bill of complaint showing the grounds for the action of the Board. A member may, within ten (10) days of the serving of the complaint, file with the Association's Board of Directors, a written reply to the Bill of Complaint. The Board of Directors shall consider such reply in reaching its determination of the matter. Whenever automatic termination is provided for by this section for nonpayment of dues or assessments, no notice to a member of a pending decision with respect to termination of the membership shall be required, and a decision on whether or not to enforce such automatic termination shall be made without any necessity for notice to the member, by a majority vote of those directors present. If a membership in which a director holds an interest is being considered for termination, such director shall not be permitted to vote with respect to such termination and the number of the Board of Directors shall be considered to be reduced by one.

C. Refund of Membership Fee. When a membership has been voluntarily or involuntarily terminated, the Association, through its Board of Directors, shall refund to the member holding such membership the original membership fee paid for such membership, less such deductions there from as are provided for by Section 13 of this ARTICLE III. Such refund shall be made within sixty (60) days of the termination of the membership, unless the Association's Board of Directors makes a reasonable determination that adequate funds for such refund are not available to the Association, in which case such refund shall be made, forthwith, when adequate funds have become available.

D. Season Suspension of Membership. A member of the Association may surrender all of the privileges of membership in the Association (other than voting rights), for the upcoming season of the Association, by a written request delivered to the Secretary of the Board of Directors. Such written request must be delivered to such Secretary prior to April 1 of the year for which the request is being made. The Association's Board of Directors shall honor the request if there is a prospective member of the Association willing to accept a seasonal membership in the Association and to pay the dues and assessments required for such seasonal membership, otherwise the Association's Board of Directors shall refuse such request and the member holding the membership shall be liable for the dues and assessments established by the Association for the upcoming season.

Section 10. Membership List. As indicated above, membership in the Association shall be by application to the Association's Board of Directors. Upon receipt of an application for membership, the prospective member's name shall be placed upon a list of prospective members in the Association. Names of prospective members shall appear upon such list in the order in which the applicable membership applications are received by the Association's Board of Directors. As memberships in the Association become available, such memberships shall be tendered to the prospective members of the Association in the order in which their names appear upon such membership list, unless the Association's Board of Directors, in its discretion, determines that it would not be in the Association's best interest to tender membership to a particular prospective member, in which case a membership shall not be tendered to such prospective member and such prospective member's name shall be removed from the list of prospective members. If a membership is tendered under this section, and is not taken by the prospective member, such member's name shall be removed from the membership list, unless the Board of Directors determines otherwise.

Section 11. Seasonal Memberships. After all memberships in the Association which are available have been filled by prospective members to which memberships have been tendered in that manner described in the preceding section of these Bylaws, available seasonal memberships in the Association, shall be tendered to those prospective members of the Association whose names appear upon the membership list described in the preceding section of these Bylaws, in the order in which such names appear upon such list; provided, however, that the

Association's Board of Directors, in its discretion, shall have the power to remove a name of a prospective member from the membership list if such Board of Directors determines that it would not be in the Association's best interests to tender a membership in the Association to the particular prospective member. Prospective members of the Association shall be obligated to accept seasonal memberships in the Association, if tendered to them (unless the prospective member is going to be out of the city for a substantial portion of the upcoming season), otherwise, their names shall be removed from the list of prospective members by the Association's Board of Directors. A prospective member whose name has been removed from the list in such fashion shall be permitted to reapply to the Association's Board of Directors for membership, in which case the name of such prospective member shall be again placed upon the list of prospective members in the order in which the application of such prospective member is received.

Section 12. Privileges and Duties of Seasonal Membership. A seasonal member of the Association and the members of his or her family as identified by Section 6 of this ARTICLE III shall, for the season of the Association for which a seasonal membership is held, have those rights, privileges, duties and obligations as determined from time to time by the Board of Directors provided that voting rights shall be retained by the member holding the membership for which a seasonal suspension has been effected.

Section 13. Annual Dues. Each member of the Association, and each prospective new member of the Association and each prospective seasonal member of the Association shall be obligated to remit to the Association's Board of Directors those annual dues and assessments, if any, established by the Association in the manner hereinafter described in these Bylaws on or before the date established for payment thereof by the Association, and, in the event no such date is established by the Association, by on or before May 1st. If dues or assessments are not paid by the dates established for payment therefore, if any, or by May 1st, in the event no dates are established for payment therefore, then same shall be considered delinquent. If a prospective new member or a prospective seasonal member is delinquent in the payment of dues or assessments, then such prospective new member or prospective seasonal member shall not receive either a membership or seasonal membership in the Association, and his or her name shall be removed from the list of prospective members in the Association and shall not again be placed upon such list, unless the Association's Board of Directors, in its discretion, determines otherwise. If a member of the Association becomes delinquent upon dues or assessments, then, as hereinabove indicated in these Bylaws, the membership of such member shall be automatically terminated, unless the Association's Board of Directors, in its discretion, determines otherwise. No facilities of the Association shall be available to any member who is delinquent upon dues or assessments, or to the members of such member's family. If the membership of a member who is obligated to the Association for unpaid dues and assessments is terminated as hereinabove provided for in these Bylaws, then, notwithstanding anything to the contrary hereinabove contained in these Bylaws, the refund of the membership fee

hereinabove provided for shall be reduced by the sum of the dues and assessments for which the member whose membership has been terminated is obligated to the Association.

- Section 14. Emeritus Memberships. Notwithstanding the provisions of Section 1 of this Article III, there shall be 10 emeritus memberships in addition to the 300 memberships authorized by said Section 1. Those eligible for emeritus status shall be individuals or couples 65 years of age or older by May 1 of the year they wish to convert to emeritus status and who are currently members of the Association. Priority shall be granted those members with the longest consecutive tenure. Those wishing to become emeritus members must indicate their decision no later than 4/15. Dues for emeritus members shall be \$250.00 per year. Emeritus members shall be allowed 50% of guest passes (10) allocated to regular members. Emeritus Memberships may only be seasonally suspended with another person eligible for emeritus status. All other provisions of the Bylaws applicable to regular members shall apply.

ARTICLE IV

Membership Meetings

- Section 1. Voting Rights. A membership in the Association (other than a seasonal membership), shall entitle the holder thereof to one (1) vote upon all matters voted upon at any meeting of the members of the Association; provided, however, that the voting rights of any member delinquent upon dues and assessments to the Association shall be suspended during the period of delinquency. If a membership is held in the name of an individual, then such individual shall hold the voting rights with respect to such membership. If a membership is held in the name of a husband and wife the vote for such membership shall be exercised as such husband and wife among themselves determine, but in no event shall more than one (1) vote be cast for anyone membership.
- Section 2. Annual Meeting. An annual meeting of the members of the Association (other than seasonal members) shall be held on the first Tuesday in March, at a time and place to be designated by the President of the Association; provided, however, that such membership meeting shall not be held before 7:00 p.m., on such date and that such membership meeting shall be held within the City Limits of Columbia, Missouri. The purpose of the annual meeting of the Association shall be to consider dues and assessments for the coming year, to elect directors, to conduct the business described in Section 4 of this Article, and to transact such other business as may come before the meeting.
- Section 3. Special Meetings. Special meetings of the members of the Association may be called by the President of the Association, provided he or she obtains consent in writing of not less than twenty-five (25) members of the Association. A special meeting of the members of the Association shall be called by the President upon the request, in writing, of not less than one hundred members (100) members of

the Association. If the President of the Association is requested to call a special meeting of the members of the Association, then such request shall set forth in detail the actions which the members requesting the meeting desire to be taken at the meeting.

Section 4. Order of Business. The order of business at all annual meetings of the members shall be as follows:

- a. Roll call, certification of voting rights and certification of proxies;
- b. Proof of notice of meeting or waiver of notice;
- c. Reading and approval of minutes of preceding meeting of members;
- d. Reports of officers, if any;
- e. Reports of standing committees, if any;
- f. Reports of special committees, if any;
- g. Unfinished business, if any;
- h. Presentation by the Treasurer, or his or her designee, of a financial report showing the financial status of the Association;
- i. Presentation by the Association's Board of Directors of a proposed budget for the coming year and discussion of same;
- j. Presentation by the Association's Board of Directors, or its designee, of its recommendations for dues and assessments for the coming years;
- k. Discussion of dues and assessments for the coming year;
- l. Voting of dues and assessments for the coming year;
- m. Election of directors;
- n. New business;
- o. Adjournment.

In the case of special meetings, items a through d shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.

Section 5. Notice of Meetings. Except when notice of a meeting of the members is waived as hereinafter provided, written or printed notice of any meeting of the members shall be sent by the Secretary of the Board of Directors to all members of the Association by mailing the same, postage prepaid, at least ten (10) and not more than thirty (30) days prior to the meeting, addressed to the members at their respective addresses as recorded upon the books of the Association. Such notice shall state the place, day and hour of the meeting, and shall contain a detailed statement of the purpose or purposes for which the meeting is called. No notice of any annual or special meeting of the members is required if all members file with the records of the meeting written waivers of such notice. In the absence or disability of the Secretary of the Board of Directors, notice as provided for in this Section shall be sent out by any officer of the Association, as may be designated by the Association's Board of Directors.

Section 6. Waiver of Notice. Any member may waive notice of any membership meeting, either in writing or by telegram signed by the member, whether such member attends the meeting or not. The presence of a member at any membership

meeting shall be deemed to constitute a waiver by the member of notice of the meeting unless the member attends for the express purpose of objecting to the manner in which the meeting was called.

Section 7. Quorum. A quorum at any annual or special meeting of the members of the Association shall consist of not less than ten percent (10%) of the membership of the Association, represented in person or by proxy. Unless otherwise specified, decisions at any membership meeting shall be by the majority vote of those members present, in person or by proxy. If a quorum is not present at any annual or special meeting of the Association's membership, a majority of those members present can adjourn the meeting to another date and time. Fifteen (15) days notice of the date time and place to which the meeting has been adjourned» and of the purpose of the adjourned meeting shall be given by advertisement in a daily newspaper published in the City of Columbia, Missouri. Those members of the Association present when the adjourned meeting is reopened shall constitute a quorum, regardless of the number of members present, and they may transact business by a majority vote of those members present.

Section 8. Meetings Convened, How. Every meeting of the members of the Association for whatever object, shall be convened and chaired by the President of the Association's Board of Directors, if he or she be present; otherwise, the Vice President of the Association; or in his or her absence or refusal to act, by persons selected by the Board of Directors of the Association.

Section 9. Proxy. A member of the Association may appoint any other members of the Association as his or her proxy. In no case may any individual member of the Association or any husband-wife combination holding a membership in the Association cast more than two (2) votes by proxy, in addition to his, her or their vote. Any proxy must be in writing and must be filed with the Secretary of the Association, and must be approved by the Secretary of the Association, before the start of each meeting. Unless otherwise specified by its terms, any proxy shall continue only for the meeting for which given. Unless limited by its terms, any proxies shall constitute a general proxy and shall empower the holder or holders thereof to vote upon all matters presented at the membership meeting, as he, she or they shall determine appropriate.

ARTICLE V

Board of Directors

Section 1. Number and Term. The Board of Directors of the Association shall consist of twelve persons holding ownership interests in memberships of the Association. Four of such persons shall be elected to serve a three-year term on the Board of Directors at each annual meeting of the members of the Association. No person shall serve more than two (2) consecutive terms on the Board. A person who has served two (2) consecutive terms must be off the Board one full term before again being eligible for membership.

- Section 2. Nominating Procedure. The President of the Board of Directors shall select a nominating committee which will make nominations of persons to serve as directors for the coming year at the annual meeting of the Association. The persons selected by the nominating committee shall be identified in the notice of the annual meeting which is sent to the members of the Association. Such nominating committee shall consist of at least seven (7) persons. The chairman of the nominating committee shall be a member of the Association's Board of Directors. No more than two (2) additional members of the nominating committee shall be from the Board of Directors. The members shall have the privilege of making additional nominations from the floor at the annual meeting of the membership. The nominating committee shall make all reasonable attempts to secure suggestions for nominations from interested persons.
- Section 3. Vacancies. The Board of Directors shall fill vacancies in its membership occurring between elections. A board member, who is absent without sufficient cause, (such sufficient cause being determined within the sole and absolute discretion of the remaining members of the Board of Directors by a majority vote thereof) from three (3) consecutive meeting of the board may, at the option of the board, be considered to have resigned, and such vacancy shall be filled by the board; provided, however, that before such option is exercised by the board, such member of the board shall be given at least eight (8) days written notice that the exercising of such option is an issue to be placed before the board so that such board member shall have ample opportunity to appear before the board to explain his or her absence from the meetings of the board. For purposes of determining whether or not to exercise such option, the size of the Board of Directors shall be deemed to be reduced by one. Persons selected by the Board of Directors to fill vacancies on the Board of Directors shall fill out the remaining term of the director whom they replaced.
- Section 4. Number of Meetings. The Board of Directors shall hold at least three (3) meetings, (including the organizational meeting hereinafter described) during the calendar year, at times and places to be determined by the President of the Board of Directors, and shall hold such other meetings as may be necessary to conduct the business of the Association.
- Section 5. Time and Place of Meetings. The time and place of all meetings of the Board of Directors shall be as determined by the President of the Board of Directors from time to time.
- Section 6. Calling of Meetings. Meetings of the Board of Directors may be held at the call of the President of the Board of Directors, or at the call of any three (3) directors.
- Section 7. Quorum. Six (6) directors with voting rights shall constitute a quorum at all meetings of the Board of Directors.
- Section 8. Voting. All voting at directors' meetings shall be done in person. There shall be no voting by proxy. Unless otherwise specified in these Bylaws, business shall be

transacted by a majority vote of those directors present at any meeting of the Board of Directors.

- Section 9. Notice. Notice of all meetings of the Board of Directors shall be given by giving three (3) days notice by mail, personally or by telephone, to all members of the Board of Directors, which notice shall specify the date, time and place of the meeting. Any business shall be eligible for consideration at any meeting of the Board of Directors, whether specified in the notice of the meeting or not.
- Section 10. Waiver of Notice. Any director may waive notice of any directors' meeting, either in writing or by telegram, and whether he or she attends a meeting or not; and the presence of a director at any directors' meeting shall be a waiver of any notice herein or by law provided for except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- Section 11. Informal Action by Directors Without Meeting. When any action is required to be taken at any directors' meeting, such action may be taken without a meeting if written consent or approval setting forth the action so taken shall be given by all of the directors with respect to the subject matter thereof.
- Section 12. Compensation of Directors. Directors, as such, shall not receive any salaries or compensation for their services as directors.
- Section 13. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for funds of the Association shall furnish adequate fidelity bonds, the premiums for which shall be paid by the Association, unless the Association's Board of Directors, in its sole and absolute discretion, determines that it would be impractical to obtain such fidelity bonds.
- Section 14. Power, Duties and Authority. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by law or by the Articles of Incorporation or by these Bylaws directed to be exercised and done by the members of the Association. The property, business and affairs of the Association shall be controlled and managed by its Board of Directors, which shall exercise all powers of the Association not reserved by these Bylaws, or by the Association's Articles of Incorporation, or by law, to the members of the Association. The Association's Board of Directors shall have authority to employ, discharge and determine the compensation of such management personnel, managing agent, lifeguards and other employees as in its opinion are needed to do the work of the Association. The Board of Directors shall make such rules as in its judgment are necessary concerning the receiving, banking and disbursing of funds of the Association, the use of the Association's facilities, and the handling of any other business or affairs of the Association; provided, however, that such rules shall not be inconsistent with any of the provisions of these Bylaws. The Board of Directors shall, in addition to its other powers, duties and

responsibilities, have the following duties and responsibilities to the membership of the Association:

1. To arrange for the annual auditing of all accounts of the Association;
2. To submit to the members of the Association such annual audit of such accounts, together with a financial statement concerning the Association's financial status, which audit and financial statement shall be forwarded to members, together with the notice of the annual meeting of the members, and shall be presented and discussed at such annual meeting of the members;
3. To submit to the members of the Association, together with the notice of the annual meeting, and again at the annual meeting of the members, a tentative budget for the Association for the coming year;
4. To establish and promulgate a detailed statement of the policies, rules and regulations established by the Board of Directors pertaining to the use of the facilities of the Association, which shall not in any way be inconsistent with these Bylaws, and to provide each member of the Association with a detailed written statement of such policies and rules. (Notwithstanding anything to the contrary set forth in these Bylaws, such policies and rules shall be eligible for consideration at the annual meeting of the membership, whether specified in the notice of such meeting or not, upon the vote of a majority of those members present requesting such consideration, and may be amended by a majority vote of those members present at such annual meeting).

Section 15. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the President of the Board of Directors. At such organizational meeting, the officers of the Board of Directors shall be elected.

Section 16. Manager. The Board of Directors shall, if it in its sole and absolute discretion deems it advisable to do so, employ for the Association a professional manager to manage facilities owned or made available by the Association, at a rate of compensation and upon terms and conditions, to be established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize.

ARTICLE VI

Officers

Section 1. Number. The officers of this corporation shall consist of a President, a Vice President, a Secretary and a Treasurer. The Board of Directors may also choose and appoint one or more assistant Secretaries and assistant Treasurers, and such additional officers and agents, if any, as it may deem necessary from time to time. Such officers shall be elected by the Board of Directors from its membership at its organizational meeting.

- Section 2. Term. The officers shall hold office at the pleasure of the Board of Directors, for a period of one (1) year from the dates of their respective elections, and until their successors are duly elected and qualified.
- Section 3. Consolidation of Offices. No individual may hold more than one office.
- Section 4. Vacancies. A vacancy in any office for any reason shall be filled by the Board of Directors at any meeting for the unexpired portion of the term.

ARTICLE VII

Duties of Officers

- Section 1. General Powers. The officers of the Association shall have such power and authority in the control and management of the property and business of the Association as is usual and proper in the case of, and incident to, such corporate offices, except insofar as such power and authority is limited by these Bylaws or by resolution of the Board of Directors.
- Section 2. President. The President shall be the principal executive officer of the Association and shall, in general, control and manage the property and affairs of the Association. He or she shall preside at all meetings of the Board of Directors and membership and shall perform such other duties as may be prescribed by the Board of Directors from time to time. He or she shall sign all notes, agreements, conveyances or other instruments in writing made and entered into for or on behalf of the Association. He or she shall have all the general powers and duties which are usually vested in the office of President of a corporation.
- Section 3. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon her or him by the Board of Directors.
- Section 4. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he or she shall have custody of the seal of the Association; he or she shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.
- Section 5. Treasurer. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate books of all receipts and disbursements in books belonging to the Association. He or she shall also be responsible for providing for the annual audit of the books and records of the Association, and for the deposit of all monies and other valuable

effects in the name of and to the credit of the Association in such depositories as may from time to time be designated by the Association's Board of Directors. Unless it is impractical to obtain fidelity bonds, the Treasurer of the Association shall, in any event, be bonded, with the premium for the bond to be paid by the Association.

- Section 6. Assistant Secretaries. The Assistant Secretaries, in order of succession, shall perform all of the duties of the Secretary and such other duties, if any, as may be prescribed by the Board of Directors. In any event, the Association's Board of Directors shall have the power to appoint one of the Assistant Secretaries to handle all matters dealing with membership lists, membership certificates, sales of memberships, termination of memberships, and other matters pertaining to memberships.
- Section 7. Assistant Treasurers. The Assistant Treasurer, in order of their seniority, shall perform all of the duties of Treasurer in the event of the death, disability or absence of the Treasurer, and such other duties, if any, as may be prescribed by the Board of Directors. Notwithstanding anything to the contrary contained in these Bylaws, the Board of Directors shall have the power to appoint an assistant treasurer to handle all payroll accounts of the Association, in which event such assistant treasurer, shall be bonded, if it is practical to obtain such a bond.
- Section 8. Compensation of Officers. No officer shall receive any salary or other compensation for services rendered to the Association in his capacity as an officer of the association.

ARTICLE VIII

Liability and Indemnification Of Officers and Directors

- Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and director of the Association, against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Association) to which he or she may be made a party by reason of being or having been an officer or director of the Association whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Association shall not be liable to the members of the Association for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The officers and directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right of indemnification provided for herein shall not be exclusive of any other rights to

which any officer or director of the Association, or former officer or director of the Association may be entitled.

Section 2. Common or Interested Directors. The directors shall exercise their powers and duties in good faith and with a view of the interests of the Association. No contract or other transaction between the Association and one or more of its directors, or between the Association and any corporation, firm or association in which one or more of the directors of this Association are directors or officers are pecuniarily or otherwise interested, is either void or voidable because such officer or directors are present at the meeting of the Board of Directors or any committee therefore which authorizes or approves the contract or transaction, or because his, her or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or is noted in the minutes, and the board authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to the directors, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed. Common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereafter to authorize any contract or transaction with like force and effect as if he or she were not such director or officer of such other corporation or not so interested.

ARTICLE IX

Contracts, Checks, Loans or Deposits

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument, in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Association, and no evidences_of indebtedness shall be issued in its name unless authorized by a resolution of the membership of the Association. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by the Treasurer and countersigned by the President or shall be

signed by such officer or officers, agent or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Board of Directors.

- Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, savings and loan institutions and other depositories as the Board of Directors may select.

ARTICLE X

Fiscal Year

The fiscal year of this Association shall begin on January 1, (inclusive) in each year and shall end on December 31 (inclusive) of that year, unless and until otherwise fixed, from time to time by resolution of the Association's Board of Directors.

ARTICLE XI

Annual Audit

As indicated above, the Association's Board of Directors shall cause the books and records of the Association to be audited for each fiscal year of the Association, and shall make such audit, together with the books and records of the Association, available for inspection by any individual members of the Association at all reasonable times, and shall make such annual audit available as a part of the notice of the annual meeting of the Association.

ARTICLE XII

Dues and Assessments

- Section 1. Recommendation by Board of Directors. In addition to its powers and duties as specified by the above provisions of these Bylaws, the Association's Board of Directors shall have the duty and responsibility to recommend to the members of the Association, dues and assessments to be charged by the Association for each fiscal year of the Association. Such recommendations shall be forwarded to the members of the Association as a part of the notice of the annual meeting of the Association, and shall be again presented to the members at the annual meeting of the members of the Association. Such recommendations of the Board of Directors shall be made with a view towards the projected budget of the Association, and the need for funds by the Association.

- Section 2. Annual Dues.

a. Purpose of Dues. The annual dues levied by the Association shall be used exclusively by the Association to operate, improve and maintain the property of

the Association and the facilities owned and provided by the Association, including but not limited to the payment of taxes and insurance, repairs to, improvement of, operations of, and replacements of the property, equipment and facilities, and for the costs of labor, equipment, materials, supplies, management and supervision for the properties and facilities of the Association, for the costs of auditing the Association's books and records and paying necessary fidelity bond premiums, and for the purpose of paying interest and principal on debts approved by the Association's membership. In no event shall annual dues be used to pay interest and principal on debts incurred for the purpose of expanding or adding to the Association's properties or facilities unless the incurring of such debt for such purpose, and the use of dues to pay such debt has been previously approved by the Association's membership.

b. Amount to be Recommended by Board of Directors. Each year, prior to sending out the notice of the annual meeting of the members, the Board of Directors of the Association shall estimate the total amount necessary to pay the costs of wages, auditing fees, fidelity bond premiums, materials, insurance, services, debt service, (principal and interest on debt previously incurred) supplies, equipment and other items which will be required during the ensuing fiscal year of the Association for operating, improving, maintaining and repairing and replacing the facilities and properties of the Association, together with a reasonable amount considered by the Board of Directors to be necessary for a reserve for contingencies and replacements. As indicated above, such recommendations shall be forwarded to the members of the Association, together with the notice of the annual meeting of the members of the Association. Such recommendation made by the Board of Directors of the Association shall contain a reasonable itemization of the sums to be required by the Association for the upcoming fiscal year.

c. Voting on Annual Dues. As hereinabove indicated by these Bylaws, the annual dues to be charged by the Association to its members and seasonal members shall be established by a vote of the membership at each annual meeting of the Association. If the membership of the Association fails to agree upon, and approve annual dues for the upcoming year of the Association, at an annual meeting of the Association, then the dues shall be set at the amount established for the preceding fiscal year of the Association. If an increase in annual dues (over and above the sum charged for the preceding year) is required to fully pay for the costs of wages, materials, insurance, services, debt services, supplies and other items to be required for the operation, maintenance, improvement, replacement or repairs of the Association's properties or facilities for the upcoming year, such an increase may be approved by a majority vote of those members present, in person or by proxy. However, additional debt shall not be incurred for the purpose of expanding or adding to the facilities or the properties of the Association, nor shall annual dues be used for the purpose of paying interest or principal on such additional debt, unless the incurring of additional debt for such purpose, and the use of annual dues for such purpose, has received the favorable vote of two-thirds (2/3) of those members present, in person or by proxy, at the annual meeting. Once the use of annual dues for the

purpose of servicing additional debt has been approved in such manner, the servicing of such debt shall be considered a part of the normal operating expenses of the Association until the debt has been paid, in full, at which time the dues shall be deemed to be automatically reduced by the additional sum required to service the debt. The reinstatement of such sum for the purpose of servicing the new debt shall again require approval by a two-thirds (2/3) vote in the manner described above.

d. Notice of Annual Dues. The membership of the Association shall be advised of the annual dues within two (2) weeks after approval by the Association's membership. Unless otherwise specified by the membership at the annual meeting, annual dues shall become due and payable, in full, by May 1st and are delinquent thereafter.

e. Annual Dues to be Voted Upon Only at Annual Meeting. Annual dues of the Association shall be voted upon only at the annual meeting of the Association and at no other time.

Section 3. Special Assessments. In addition to the annual dues authorized above, the Association may levy in any fiscal year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, or unexpected repair or replacement of a capital improvement upon property owned by the Association, including the necessary fixtures and personal property related thereto, provided that such an assessment to be used for reconstruction, repair or replacement shall require only a majority vote of the members, but that an assessment for any other purpose must have the assent of two-thirds (2/3) of the votes of those members who are voting in person or by proxy at an annual meeting of the Association. A special assessment for repairs, replacement or reconstruction may be voted at any meeting of the membership. A special assessment for other purposes shall be established only at the annual meeting of the Association. If the vote of the membership establishing such a special assessment so specifies, such a special assessment can be deemed to be an increase in the membership fee paid by each of the members for his, her or their membership, and shall be eligible for refund, as such, as hereinabove provided in these Bylaws. Unless otherwise specified by the vote of the membership establishing an annual assessment, an annual assessment shall be due and payable by May 1st, and shall be delinquent thereafter.

Section 4. Installments. If the membership, at the meeting establishing annual dues and any special assessments so determined by the resolution establishing such annual dues and assessments, same may be payable in installments due upon such dates as shall be established by such resolution.

ARTICLE XIII

Insurance

In addition to their duties and responsibilities as hereinabove described, the Association's Board of Directors shall have the duty and responsibility to see to it that the facilities of the Association are insured for the replacement value thereof, against loss, damage or destruction by fire, or other casualty, and shall be responsible for obtaining and maintaining a policy or policies insuring the Association, and its Board of Directors, against any liability to any persons, the liability under which insurance shall be not less than Five Hundred Thousand Dollars (\$500,000.00), single limit for personal injury to or death of any persons and Fifty Thousand Dollars (\$50,000.00) for property damages. Such limits shall be reviewed annually by the Association's Board of Directors and may be increased in its discretion. The Association's Board of Directors shall also obtain Workmen's Compensation Insurance to the extent necessary to comply with any applicable laws.

ARTICLE XIV

Committees

Section 1. The President, at the annual meeting of the Board of Directors with the advice and consent of the Board of Directors, shall appoint, for the ensuing year, any committees which are deemed necessary.

ARTICLE XV

Amendment of Bylaws

These Bylaws may be amended, repealed or new Bylaws made by action of the membership at any annual meeting of the membership, providing that written notice has been given stating the proposed Bylaw's changes. Amendment, repeal or new Bylaws shall require the favorable vote of three-fourths (3/4) of those members present at a membership, in person or by proxy.

These Bylaws adopted this 12th day of March 1974.

Secretary of the Corporation

Amended March, 2004