

**BY-LAWS
OF
THE BEECHVIEW SWIM CLUB**

Preamble

The purpose for which the Corporation is formed is to promote the health and general welfare of its members 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 Oakland and State of Michigan, for the exclusive use of its members and their families.

Article I - Membership

Section 1 - The membership of this Corporation shall be of two (2) classes, Active and Associate. Active membership shall be limited to a maximum of three-hundred-thirty-five (335).

Section 2 - An active member shall consist of those persons (not to exceed two (2) holding a Certificate of Membership and their children under twenty-one (21) years of age. No Certificate of Membership shall be issued in more than one name except when issued in the joint names of husband and wife. The Certificate shall provide for the right of survivorship. Active joint members whose marriage terminates thereafter may continue to share membership if the bond remains under joint ownership. No additional or extended families will be included.

Section 3 - An Associate Member is defined as a person twenty-one (21) years of age or older who is residing permanently with an Active Member.

Section 4 - Any member of any class may, for cause and after having given an opportunity for a hearing, be suspended for a period of not exceeding three (3) months by two-thirds (2/3) vote of the members of the Board of Directors present at any meeting thereof. Cause for suspension shall, in general, consist of violation of these Bylaws or of the rules of the Corporation, or of conduct unbecoming a lady or gentleman.

Section 5 - The Board of Directors may delegate to the Chairman of the Pool and Grounds Committee, the power to suspend pool privileges for the violation of Corporation Rules and Regulations provided such suspension does not exceed seven (7) days. The Board of Directors may delegate to a responsible employee of the Corporation, the power to suspend pool privileges of members under eighteen (18) years of age for similar violations provided such suspension does not exceed seven (7) days. A written report of each suspension made hereunder, containing reasons therefor, shall be submitted to the President within twenty-four (24) hours with a copy to the sponsoring active member.

Section 6 (a) All classes of members (i.e. both Active and Associate members) of the Corporation shall be accorded the facilities of the Corporation subject to the pool rules and regulations which shall be posted at all times in the Corporation locker rooms.

(b) The Board of Directors at its discretion may temporarily extend the privileges of the Club to any person or persons.

(c) The Board of Directors shall by rule fix the terms and conditions upon which guests of members may use the facilities of the Corporation.

(d) Any property of the Corporation broken or damaged by a member of any class, or his guest, shall be promptly paid by such member. No person shall take any article belonging to the Corporation.

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

Section 7 - All employees of Beechview Swim Club or its subcontractors must be approved by the Board of Directors. Beechview Swim Club or its subcontractor **may** employ a member or member's child for Manager, Assistant Manager, Life Guard, Snack Bar personnel, Swim Team Coach or Assistant, Tennis Team Coach or Assistant, and Swim Lesson Instructor.

Section 8 - Revocation of Membership. Any member of any class whose conduct as exhibited in any act or acts is, in the opinion of the Board of Directors, likely to endanger the welfare, interest, or character of the Club, or whose conduct is in violation of the By-Laws or rules and regulations of the Club shall be subject to having their Certificate of Membership revoked by the Board of Directors. Such activities include, but are not limited to: vandalism, harassment of staff or other members, conduct that jeopardizes the Corporation's ability to participate in the NSSL, inter-club tennis league, or reciprocity agreements, and violation of any law of the State of Michigan or City of Farmington Hills, Michigan.

The offending member shall be required to appear before the Board of Directors who shall investigate such

conduct. Should the Board of Directors, after a full investigation and after giving such member an opportunity to be heard before the Board of Directors, determine that the conduct of such member is prejudicial to the best interest of the Club, then at a regular or special meeting of the Board of Directors, the Board may revoke the Certificate of Membership of such member by a unanimous vote of the Directors present at the meeting. All Directors actively serving their term at the time of such meeting must be present and vote affirmatively for this action to be binding upon the member. The results of such voting shall be recorded in the official meeting minutes and kept on file with the Corporation's records. Upon expulsion, the member forfeits his or her Certificate of Membership and the Certificate shall be repossessed by the Corporation. Upon sale of the foreclosed Certificate, the difference between any monies owed by the member to the Corporation and the sale price of the Certificate, shall be returned to the member.

Article II - Meetings

Section 1 (a) The Annual Meeting of the Corporation shall be held during the months of September or October in each year, beginning with the year 1963, at such place and time as the Board of Directors may determine.

(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.

Section 2 - Special Meetings of the Corporation may be called by the Board of Directors. Also, upon the written request of seventy-five (75) members to the Secretary, stating the purpose therefor, a Special Meeting shall be called by the Secretary within thirty (30) days.

Section 3 (a) Ten (10) days written notice of each Annual Meeting shall be given to members and shall indicate the number of Directors to be elected and business to be transacted.

(b) Special Meetings of the Corporation may be held on ten (10) days written notice to all members. The notice shall state the purpose for which the Special Meeting is called, and no other business shall be transacted thereat.

Section 4 - Only Active Members shall be entitled to vote at meetings of the Corporation. In cases where a Membership is in the name of more than one person, either, but not both, of such persons may vote. All voting shall be done in person; proxies will not be recognized. Voting may be via voice but ten (10) members shall have the right to demand voting by roll call.

Section 5 - At the Annual Meeting a ballot shall be presented with the offices listed that are open for election. Each member voting shall vote for one nominee per office. Before the annual meeting, the President is elected by a simple majority of the returning Board members, after having served in some other Board capacity. Other Board members may change responsibilities on the Board with the concurrence of a simple majority of the Board of Directors one month prior to the annual meeting.

Section 6 - Those Active Members, present in person, shall constitute a quorum at all Corporation Meetings.

Section 7 - Roberts Rules of Order will prevail at all Meetings of the Corporation.

Article III - Board of Directors

Section 1 - The Corporation shall be managed by a Board of Directors, twelve (12) in number.

Section 2 - The Board of Directors, as elected by the incorporators, shall hold office until the Annual Meeting in October 1963. At each Annual Meeting of Active Members of the Corporation, beginning in October, 1963, six (6) Directors shall be elected during the odd numbered years from among the Active Members for a term of two (2) years and until their successors have been chosen. Six (6) Directors shall be elected during the even numbered years from among the Active Members for a term of two (2) years and until their successors shall have been chosen.

Section 3 - Any member of the Board of Directors who shall cease to hold Active Membership in the Club automatically shall cease to be a member of the Board of Directors. Vacancies in the Board of Directors shall be filled (i.e. appointed) by the remaining members of the Board, and each person so elected shall be a Director until his successor is elected by the members at the next Annual Meeting. No member shall be elected to the Board of Directors in excess of two (2) consecutive terms.

Section 4 - The Board of Directors shall select a President and a Vice-President from the existing Board of Directors prior to the annual meeting.

Section 5 - The Board of Directors shall transact all Corporation business and make and amend rules for the regulation of the use of Corporation property. It may appoint and remove such officers, clerks, agents, servants or employees as it may deem necessary and may fix their duties and compensations. The Board may constitute and appoint committees and define the powers and duties of the same.

Section 6 - The Board of Directors shall designate the bank or banks in which the funds of the Corporation shall be deposited and determine the manner in which checks, drafts, or other instruments for the payment of funds of the Corporation shall be executed.

However, the Board of Directors shall always require that at least two (2) Directors [one Officer and one Director] sign all such checks, drafts, or other instruments for the payment of money drawn in the name of the Corporation, except the computer prepared payroll checks and checks used to pay utility bills which shall require the signature of only one (1) Officer.

Section 7 - The Board of Directors shall cause the books of the Corporation to be audited by an Internal Audit Committee every year for the preceding fiscal year. The written conclusion of the committee shall be reported in the first newsletter thereafter.

Section 8 - The Board of Directors shall meet at least once a month during the months of March, April, May, June, July, August, September and January, and at such other times and intervals as they may deem appropriate. The Board shall be presided over by the President. In his absence, the Board shall be presided over by the Vice-President. Six (6) members of the Board shall constitute a quorum. A majority vote of the Board members present at a properly constituted meeting shall be required to carry a resolution or motion. Special meetings of the Board of Directors may be called by the President and shall be called by the Secretary upon the request of two (2) members of the Board.

Section 9 - In the event a question before the Board of Directors results in a tie vote which cannot be resolved, the question may then be submitted to the membership for decision.

Section 10 - These By-Laws shall be construed so as to permit the Board of Directors to borrow or pledge the credit of the Corporation up to Ten Thousand Dollars (\$10,000).

Section 11 - Any member of the Board of Directors may be removed from office by a majority vote of the membership present in person at a Special Meeting called in accordance with these By-Laws.

Section 12 - The Board of Directors shall carry and maintain public liability insurance and property insurance in such amounts as will provide, in the Board's judgment, reasonable protection for the Corporation.

Article IV - Officers

Section 1 - The President shall preside at meetings of the Corporation and of the Board of Directors. The President shall be the administrative officer of the Corporation and shall appoint, subject to confirmation by the Board of Directors, all standing committees, designating the Chairman thereof, and all special committees as may be directed. The President shall be, ex-officio, a member of all committees.

Section 2 - The Vice-President in absence or temporary disability of the President, shall act in his stead. He shall under the direction of the President, attend to the business and financial operations of the Corporation. The Vice-President shall be, ex-officio, a member of all committees.

Section 3 - The Secretary shall send out the notices of the meetings of the Corporation and of the Board of Directors; keep the Minutes, and attend to the correspondence pertaining to such office. The Secretary shall perform such other duties pertaining to the office as may be requested by the Board of Directors.

Section 4 - The Treasurer shall attend to keeping the accounts of the Corporation, collecting its revenues, and paying its bills as approved by the Board of Directors or other agency authorized by the Board to incur them. The Treasurer shall deposit funds of the Corporation, in the name of the Corporation, in such depository as may be authorized by the Board and shall perform such other duties pertaining to the office as may be asked by the Board.

Section 5 - In the event of the death, resignation or incapacity of any of the Corporation officers, the Board of Directors shall select that officer's successor.

Section 6 - Any officer may be removed from office by a majority vote of the Board of Directors present in person at a Special Meeting called in accordance with these By-Laws. An officer so removed shall remain a Director, serving in some other position, unless removed from the Board of Directors in accordance with Article III, Section 11.

Article V - Dues and Fees and Membership Certificates.

Section 1 (a) The Board of Directors shall establish annual dues for members prior to January 1 of each year. PROVIDING however, dues for the first year, that is, for the period ending October 31, 1963, shall not exceed thirty-five dollars (\$35).

(b) Dues shall be sufficient to provide for the necessary running expenses of the Corporation and the proper maintenance and improvement of its property, and such dues shall be payable by

March 1st of each year.

- (c) The annual dues shall not exceed four hundred *thirty-five dollars* (\$435.00) plus pool-opening fees as determined by the Board.
- (d) No dues nor part thereof shall be refunded in the event that pool operations are required to be suspended for any period, nor in the event of a sale or transfer of membership.
- (e) Those members of the Club who serve as one of the twelve Directors of the Corporation are not required to pay annual dues for the fiscal year in which they serve on the Board of Directors.
- (f) Each Beechview Swim Club Bond will be assessed an annual *fifty(\$50)* dollar facilities maintenance fee. This fee will be refunded to any bond holder's representative, sixteen (16) years of age or older, that serves a minimum of three hours during the published Beechview Swim Club clean-up days. This fee will be applied to bond holders of record on March 1st.

Section 2 - Each candidate for Active Membership in the Corporation must be approved by the Membership Committee and shall be required to pay an initiation fee as determined by the Board of Directors upon becoming an Active Member.

Section 3 - As a condition to Active Membership, a Certificate of Membership (i.e. "bond") shall be purchased from the Corporation or an Active Member. All Certificates which are sold by the Corporation shall be sold for an amount determined from time to time by the Board of Directors. Initiation fees and dues shall be in addition to the cost of the Certificate of Membership.

Section 4 (a) If the registered owner(s) of a Certificate of Membership desire to sell, assign, transfer, or in any manner dispose of his Certificate he must first offer to sell the Certificate to the Corporation for the amount determined under Section 3. Such offer must be made in writing to the Corporation by registered or certified mail to its principal office. The Corporation shall have thirty (30) days within which to accept or reject the offer.

If the Corporation accepts the offer it shall do so in writing to the offering member by registered or certified mail to his address as shown on the Membership records of the Corporation. The Corporation shall have a period of thirty (30) days from the time of mailing its acceptance to tender the purchase price and accept surrender of the Certificate of Membership.

If the Corporation fails to accept the offer to sell within thirty (30) days of receipt of such offer or the Corporation, having duly accepted the offer, fails to tender the purchase price within thirty (30) days from the time of mailing its acceptance, then in either such event these restrictions on the sale of that particular Certificate of Membership shall terminate and the holder of the Certificate shall be free to sell or transfer his Certificate upon the open market in accordance with the provisions of Section 5.

- (b) **Designation of Purchaser.** If the offering Member has his place of residence in Sections 10, 11, 12, 13, 14, 15, 22, 23 and 24, Farmington Township, Michigan, and is selling or leasing such residence, and he desires the purchaser or leaser of his residence to have the first opportunity to acquire his Certificate of Membership, then in that event his offer to sell to the Corporation shall include a statement to this effect along with the name and address of the person(s) purchasing or leasing his residence, and in such event if the Corporation purchases the Certificate of Membership, it shall offer the Certificate of Membership or its equivalent to the person purchasing or leasing such residence, for the amount determined under Section 3, plus initiation fee and dues, provided that said person(s) shall be approved for membership by the Membership Committee. If the person(s) so purchasing or leasing the residence is approved by the Membership Committee, he shall have thirty (30) days to accept such offer of sale and to pay the purchase price.

If the offering Member has his place of residence outside of those areas shown in Article V, Section 4 (b), paragraph 1, the Certificate must be offered to the Corporation in accordance with Article V, Section 4 (a).

Section 5 - Membership Certificates shall be transferable only on the books of the Corporation. All Certificates transferred in accordance with these By-Laws shall be tendered, to the Membership Director for cancellation and re-issuance in the name of the transferee. For purpose of establishing an effective date, the transfer is deemed to have taken effect as of the date the Certificate is delivered to the Membership Director.

Section 6 - Upon dissolution of the Corporation, the Active Memberships shall be entitled to a prorate distribution of the assets of the Corporation after payment of all debts and liquidation of all liabilities. Associate Members shall not share in any distribution of assets.

Section 7 - Any member of any class failing to pay dues or indebtedness within thirty (30) days of the date of a statement shall have added to such dues or indebtedness a penalty of ten percent (10%) and the same shall become immediately due and payable. Any member of any class failing to pay dues or indebtedness within 60 days of the date of the statement shall have their membership certificate foreclosed and repossessed by the Corporation in accordance with Article V, Section 8. Until such time as the indebtedness and penalty is paid, the Membership shall be denied use of all Corporation facilities. A list of delinquent accounts shall be conspicuously posted on all bulletin boards located on Corporation property.

Section 8 - All indebtedness owing to the Corporation by an Active member shall be a lien upon and charged against his Certificate of Membership. At such time as the indebtedness totals at least the sum of \$175, the Certificate may be foreclosed and repossessed by the Corporation. In the event the Corporation is unable to obtain possession of the Certificate, it may be canceled upon the books of the Corporation, the Membership sold, and a new Certificate issued to the purchaser. In the event of the enforcement of a lien as herein provided, neither the signature of the holder nor delivery of the Certificate shall be required to perfect the transfer, and the Membership Director of the Corporation is authorized, as attorney of the holder of the Certificate, to make such transfer. In the event that the lien is satisfied by a cancellation and resale of the Membership, the Corporation shall account to pay over to the delinquent member, the excess of the resale price over the indebtedness. Every Certificate of Membership issued is expressly subject to the provisions of this Section.

Section 9 - No assessment shall be levied against the members without the approval of a majority of the Active Members present in person at a meeting duly constituted in accordance with Article II hereof.

Section 10 - All fees and other charges mentioned herein are exclusive of all taxes imposed by State, Federal, and other Government bodies and agencies.

Article VI - Committees

Section 1 (a) The standing committees shall be Pool and Grounds, Finance, Membership, Tennis, Swim, Social and Newsletter.

(b) The duties and powers assigned in these By-Laws to the standing committees shall be subject to the authority of the Board of Directors. No committee shall expend funds without prior appropriation by the Board of Directors.

Section 2 - The Pool and Grounds Committee shall exercise supervision over the Pool and Grounds; shall attend to the improvement and maintenance of the Pool, Buildings, Operating Equipment, Tennis Courts and Grounds; shall have authority thereover; and shall see that the rules and regulations of the Corporation are enforced.

Section 3 - The Finance Committee shall prepare the annual budget for submission to and approval by the Board of Directors, and shall exercise general supervision over the financial transactions of the Corporation.

Section 4 - The Membership Committee shall keep a list of all Active Memberships, shall keep and maintain such records as directed by the Board of Directors on all Certificates of Memberships transfers; shall act as the transfer agent of such Certificates; and shall promote membership in general within the guidelines of the By-Laws.

Section 5 - The Tennis Committee shall exercise supervision over the activities of the tennis courts, shall set the rules of play, playing times, tournaments, and any special tennis activities.

Section 6 - The Swim Committee shall exercise supervision over the swim team activities, swim lesson activities and represent the Club at the Northwest Suburban Swim League.

Section 7 - The Social Committee shall be in charge of setting up all social functions and activities of the Club.

Section 8 - The Newsletter Committee shall write, print, and post on the website at least four (4) newsletters per year available to every Active Member. The newsletter will be posted through the club website and mailed via the United States Post Office to any Active Member indicating that they do not have access to a computer. In particular, one such newsletter shall be written and distributed prior to April 1st and shall at least contain a list of officers, calendar of events, pool and grounds rules and regulations, guest rules and a budget for the coming year.

Section 9 - Such temporary committees as deemed necessary may be appointed by the Board of Directors and they shall terminate when the purpose of their formation has been fulfilled.

Article VII - Miscellaneous

Section 1.01 - Third Party Proceedings

The Corporation shall indemnify, defend and hold harmless, any person who was or is a party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, other than an action by or in the right of the Corporation as described and encompassed within Section 1.02 of this Article, by reason of the fact that the person is or was a director, officer, employee, committee member, active member, associate member, agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, agent, partner or trustee of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, and shall include, but not be limited to, the attorneys, law firms, accountants, consultants, advisors, counselors, and all other authorized and/or designated representatives of the Corporation, herein collectively and individually referred to as "Agent", against all expenses, including but not limited to, attorneys' fees, judgments, penalties, fines, court costs, interest, travel expenses, expert fees, accounting fees, consulting fees, and all other amounts paid in or incurred relative to any settlement by the person or by the Corporation or the active members and associate members ("Members") in connection with such action, suit or proceeding herein collectively and individually referred to as the "Expenses", if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation and/or the Members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his/her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Corporation and/or the Members, and with respect to any criminal action or proceeding, that the person had no reasonable cause to believe that the conduct was unlawful.

Section 1.02 - Actions By Or On Behalf Of The Corporation

The Corporation shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or other proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that the person is or was an Agent of the Corporation, or is otherwise liable as an Agent, against Expenses if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation or its Members. However, indemnification shall not be made for any claim, issue or matter as to which the person shall have been found liable to the Corporation unless and only to the extent that the court in which such action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for expenses which the court considers proper.

Section 1.03 - Determination

(a) **Mandatory** - The Corporation shall immediately indemnify, reimburse, and pay all Expenses, incurred by any Agent who has been successful on the merits or otherwise in the defense of any action, suit, or proceeding referred to in Sections 1.01 and 1.02 hereof or in the defense of any claim, issue, or matter relative thereto or otherwise incurred in any threatened, pending, or completed action, suit or proceeding brought to enforce the mandatory indemnification provided in Article VII, Section 1 hereof.

(b) **Permissive** - Unless ordered by a court of competent jurisdiction, or by operation of law, an indemnification under Sections 1.01 or 1.02 above shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Agent is proper under the circumstances because that person had met the applicable standard of conduct set forth in Sections 1.01 and 1.02 infra or by operation of law. This determination shall be made in any of the following ways:

- (i) **Board Majority** - By a majority vote of a quorum of the Board of Directors consisting of the directors who were not parties to the action, suit or proceeding; or
- (ii) **Director Committee** - If the quorum described in Section 1.03 (b)(i) hereof is not obtainable, then by a majority vote of a committee of directors who are not parties to the action, suit or proceeding. The committee shall consist of not less than two (2) disinterested directors; or
- (iii) **Legal Opinion** - By independent legal counsel in a written opinion; or
- (iv) **Members** - By a mere majority of quorum of the Members who were not parties to such action, suit, or proceeding.

(c) **Partial Indemnification** - If a person is entitled to indemnification under Section 1.01 or 1.02 of this Article for a portion of Expenses paid in settlement but not for the total amount thereof, the Corporation shall indemnify the person for the portion of the Expenses paid in settlement for which the person is otherwise to be indemnified.

(d) **Board Discretion** - The Board of Directors of the Corporation, in its sole and absolute discretion, shall have the power, but not the obligation, to expand the scope of the indemnity of this Article to the fullest extent permitted by Michigan law, and to indemnify, hold harmless, and defend any other person, party, or entity, other than an Agent, for good faith acts taken for and on behalf of the Corporation, if the Board of Directors believes that any such indemnification is reasonable, appropriate, necessary, desirable, and/or otherwise in the best interests of the Corporation or its Members, notwithstanding any other provision

contained in the Articles of Incorporation, corporate By-Laws, this Article VII, or any other agreement to the contrary.

Section 1.04 - Cumulative Right

(a) Non-Exclusive - The indemnification or advancement of expenses provided for in this Article is not exclusive of any other rights, remedies, or alternatives which may be available apart from or as otherwise provided in these By-Laws and is intended as, and shall be, in addition to, and not in limitation of, any other rights, remedies, or alternatives and may be pursued separately, concurrently, successively, or as often as the occasion may afford.

(b) Limited Amount - The total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of the actual expenses incurred by the person seeking indemnification or advancement of expenses.

(c) Continuity - The indemnification provided in this Article shall continue as to a person even after that person ceases to be an Agent, thereby continuing indefinitely even after the relationship with the Agent ends, and shall inure to the benefit of the heirs, executors, administrators, personal representatives, trustees, and other legal representatives of the person.

Section 1.05 - Insurance

The Corporation shall have power, but not the obligation, to purchase and maintain insurance on behalf of or for any person who is or was an Agent or who may be liable as an Agent, against any liability asserted against that person and incurred by that person in any such capacity or arising out of the status as such, whether or not the Corporation would have power to indemnify that person against such liability under the provisions of this Article.

Section 1.06 - Constituent Corporations

For the purposes of this Article, references to the Corporation shall include all constituent corporations absorbed in a consolidation or merger and the resulting or surviving corporation, so that a person who is or was an Agent of such constituent corporation or is or was serving at the request of cash constituent corporation as an Agent, shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as the person would if the person had served the resulting or surviving corporation in the same capacity.

Section 1.07 - Claims Procedures

(a) Filing Claim - To initiate a claim for indemnification pursuant to this Article, a person shall file a written Claim for Indemnification with the Treasurer of the Corporation together with written proof sufficient to evidence the undertaking by or on behalf of the person and the actual expenses incurred by the person.

(b) Payment - The Corporation shall pay to any person the actual expenses incurred in defending any action, suit or proceeding described in Sections 1.01 or 1.02 above, or by operation of law, in advance of the final disposition of such action, suit or proceeding as authorized in this Article within five (5) days of receipt by the Treasurer of a written Claim for Indemnification or Request for Advancement together with written proof sufficient to evidence the undertaking by or on behalf of the person and the actual expenses incurred by the person, and unless the Board of Directors or a court ultimately determines that the person is not entitled to be indemnified by the Corporation.

(c) Evidence of Advancement - Any sums advanced by the Corporation pursuant to this Article shall be by way of an unlimited general obligation of the person on whose behalf the advances are made, and the Board of Directors may, but need not, require that such advances be secured by the person. Any such advances shall be evidenced by a properly executed and written and recorded mortgage on the primary residence of the requesting party, if any, which shall immediately become due and payable upon a determination by the Board of Directors of the Corporation or a court that the person receiving the Expense advance is not entitled to be indemnified by the Corporation, and which shall include such other terms as may be required by the Board of Directors.

(d) Contract - This article of the By-Laws is and shall be deemed to be, a contract by and between the Corporation and the Agents, while this Article is in effect. Any repeal or modification of this Article shall not adversely affect any rights or obligations provided by this Article with respect to any facts then or theretofore existing or any action, suit, or proceeding theretofore or thereafter brought based in whole or in part upon any such facts or this Article.

Section 2 - Wherever mention is made herein to age of members, it shall be the age attained as of the prior October 31st.

Section 3 - These By-Laws may be amended by a Two-Thirds (2/3) vote of the Active Members present in person at any Meeting of the Corporation provided at least ten (10) days written notice of such amendment shall be given to each such member, setting forth the proposed Amendment(s), with the reasons therefor and any known objection.

Section 4 - Notwithstanding any provisions of these By-Laws to the contrary, no part of the net earnings of this Corporation shall inure to the benefit of any member.

Section 5 - The fiscal year of the Corporation shall begin on the first day of October in each year and terminate on the 30th day of September in each year.

March 1, 1964

REVISIONS:

- March 1, 1969
- March 1, 1976
- October 1, 1980
- March 21, 1988
- October 30, 1988
- January 25, 1990
- October 25, 1990
- October 26, 1992
- October 16, 1995
- October 21, 1996
- January 25, 2001
- October 18, 2001
- October 25, 2002
- October 23, 2003
- October 25, 2004
- October 16, 2008

file: 2008 By-Laws_rev-tf

Notes To The By-Laws of the Beechview Swim Club

These explanatory notes are attached to the By-Laws either to explain important operational procedures that are not codified in the By-Laws but were developed by the Board of Directors and approved by vote of the Members or to clarify portions of the By-Laws.

I. Creation of the Capital Improvement Fund. The Capital Improvement Fund was created by a vote of the Membership at the 1995 Annual Meeting held on October 16th. The following information was presented and discussed at the Annual meeting. *The BVSC Board of Directors believes that a long-term capital improvement fund should be created...for the main purpose of dealing with the needs of an aging facility (e.g. repair/replacement of snack bar, tennis courts, pool). The intent of the Board is to dedicate the money created from this fund towards the sole purpose of large-scale future facilities upgrades, improvements and unforeseen repairs. These funds will not be used for the day-to-day operation of the Club.*

To create the Capital Improvement Fund, the Members passed a By-Law amendment that raised the number of available bonds from 315 to 325. As presented in the February 1996 Newsletter the intent of the Board was for all money generated from these 10 new ("Club") bonds to be placed into the Capital Improvement fund. The

sources of "All" the money generated from these bonds included: sale price of the bond, annual dues, special assessment, and initiation fees as documented in minutes from the Annual Meeting.

II. Plain-English version of Article VII Section I. The language and style of writing of Article VII, Section I may be confusing to Members not trained in legal matters. To make the meaning of this Article more accessible, Mr. George Walker (attorney, former BVSC president) and Matt Walker (pre-law, former Facility Manager) prepared the following "plain-English" interpretation of Article VII.

Section 1.01 Third Party Proceedings - in the event of a lawsuit, BVSC indemnification policy covers anyone who acted in good faith on behalf of the Corporation. Expenses may be reimbursable even if the lawsuit is won by the third party.

Section 1.02 Actions By or on Behalf of the Corporation - in the event a lawsuit goes to court and is lost by a person acting on behalf of the Corporation, the Court (not the Board of Directors) decides if that person is covered by the BVSC indemnification for expenses.

Section 1.03 Determination - in the event that a lawsuit is won by a person acting on behalf of the Corporation, (a) BVSC must pay expenses; (b) if the applicability of indemnification is contested, there is a procedure for who determines if indemnification applies; (c) there are certain circumstances where partial indemnification applies; (d) the Board of Directors has the authority to extend indemnification to other parties ("good Samaritan" concept).

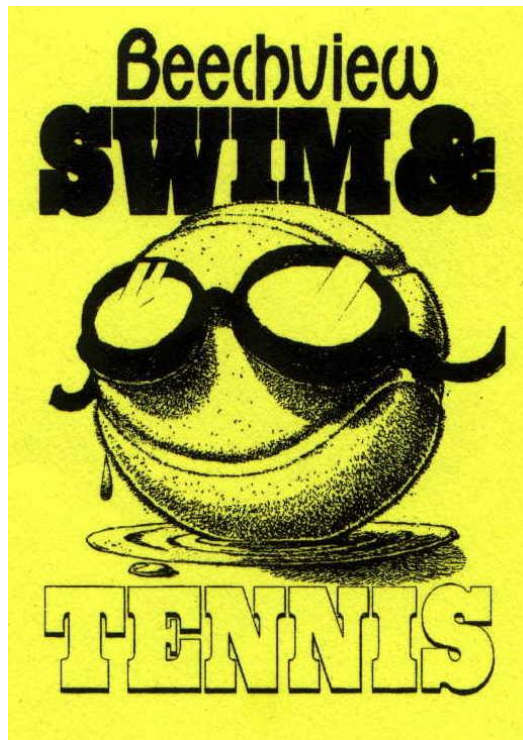
Section 1.04 Cumulative Right - in the event that a person acting on behalf of the Corporation is involved in a lawsuit (a) the indemnification extended by BVSC for expenses does not exclude that person pursuing other rights and remedies; (b) the BVSC indemnity is only for actual expenses incurred; (c) the BVSC indemnity for expenses continues beyond the time period that person was acting on behalf of the Corporation and expenses would be paid to next-of-kin.

Section 1.05 Insurance - The Corporation has the power, not the obligation to purchase liability insurance.

Section 1.06 Constituent Corporations - the provisions of Section 1 apply even if the Corporation changes in some manner.

Section 1.07 Claims Procedure - (a) a written claim for expenses must be made to the Treasurer; (b) Corporation must pay within 5 days of receipt by Treasurer; (c) if the Corporation advances any money to a person that is party to a lawsuit, the Board of Directors may require that the money be secured by a mortgage on that person's primary residence; (d) the provisions of Article VII are forward-looking and not retroactive.

BY-LAWS
OF
THE BEECHVIEW SWIM CLUB



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Secretary of BVSC