

**BYLAWS  
OF  
THE DOWNERS GROVE SWIM & RACQUET CLUB  
Downers Grove, IL  
(Revised February 2013)**

**Article I  
NAME**

The corporation was formed as an Illinois not-for-profit corporation on February 19, 1954. The name of the corporation is The Downers Grove Swim and Racquet Club (the “Club”).

**Article II  
OBJECT/PURPOSE**

The Club was formed for the purpose of promoting the health and general welfare of the persons comprising its general membership (the “Members”); and to that end, for the purpose of constructing, owning and operating swimming pools, tennis and volley ball courts and other recreational facilities for the use of its Members, together with such incidental objects as are appropriate in the conduct of its activities, in the State of Illinois, County of DuPage.

**Article III  
GOVERNANCE.**

**Section 1. Bylaws.** The operations and activities of the Club will be governed by these Bylaws in accordance with **Robert’s Rules of Order**. The Bylaws will be posted on the DGSRC website. The Bylaws will be reviewed every two years by a Bylaws Committee and, if necessary, revised by such Committee. Such revisions will be presented to the Members for their approval and adoption at an Annual Meeting or Special Meeting. The Bylaws may be amended by a 2/3 majority vote of the Members present at any Club meeting for which the requisite meeting notice is given to Members. The Board of Directors may not change the Bylaws without the appropriate approval of the Members; however, the Board of Directors will interpret the meaning of the Bylaws after consulting members of the previous Bylaws Committee wherever possible, and interpretation by the Board is binding on the Club and its Members. Wherever appropriate or required, the singular terms and related pronouns will include the plural, masculine and feminine.

**Section 2. Board of Directors.** The Club and its operations will be managed by a staggered Board of 15 Directors (the “Board” and “Directors”) elected by the Club Members, and such Officers as the Directors elect, to represent and serve the best interests of the Club and its Members. Each Director will pay dues and assessments by the April 21 due date. A 50% dues compensation refund will be issued to Directors who have actively participated in their duties for at least a full term as per Article V, Section I. Such refund will be issued after September 1 of the year the dues were paid. Any Director who resigns his/her position or is removed from the Board before completion of a full term will receive no compensation refund.

**Section 3. Club Manager.** The Board may hire a salaried Club Manager, who will serve at the Board's direction and control. The Board may delegate any or all of its management functions to the Club Manager. The Club Manager will supervise and oversee any assistants, subcontractors and employees as hired and/or appointed by him or the Board. A Club Manager must have active certification in CPR, First Aid, and Automated External Defibrillator (AED). Prior life-guarding experience is desired.

## **Article IV BOARD OF DIRECTORS**

**Section 1. Election of Directors, Terms, Term Limits.** At the Annual Meeting of the Club Members, the Club Members will elect Directors to fill Board vacancies from among Club Member candidates nominated (1) by the Nominating Committee, and (2) by Member floor nominations at such Meeting. Each Director will serve a 3-year term. A Director may be elected to serve 2 consecutive 3-year terms; however, no Director may serve longer than 6 consecutive years. A Director who has served 6 consecutive years may be re-elected only after a period of 3 years has elapsed since the expiration of his/her last term. A Director who has served more than one-half of a term will be deemed to have served the full term. Any Director who ceases to be a Member of the Club will automatically be terminated as a Director. Each nominee for Director shall have been a member of the DGSRC for 3 consecutive years and only 1 person per membership may serve in a Director position simultaneously.

**Section 2. Duties of Directors.** Consistent with these Bylaws the Board of Directors will:

- (A) Elect the Officers of the Club annually,
- (B) Prepare the Club's budget annually, in line item form, for submission to the Members,
- (C) Constitute and appoint Committees, seek out or appoint candidates for Committee positions and effect Committee business,
- (D) Seek out candidates from outside subcontractors and professionals and solicit competitive bids for their services; hire and dismiss employees and subcontractors as necessary and fix their duties and compensation,
- (E) If serving a Committee Chair position, submit proposed budget expenditures and revenues, if applicable, to the Treasurer and the Finance Committee,
- (F) Make, amend and enforce Club Rules and Policies promoting health, safety and good conduct in the use and operation of the Club facilities; fix and impose penalties for violations of these Bylaws and Club Rules or Policies,
- (G) Seek out candidates for Board vacancies and vote on whether or not to ratify the President's appointments for such vacancies,
- (H) Train, advise or otherwise facilitate the transition of his own successor in any position of Director, Officer or Committee person to the extent possible and practical, and
- (I) Affect all Club business.

**Section 3. Club Funds.** The President and Treasurer will designate the bank(s) in which the Club funds will be deposited and will be responsible for depositing all Club funds. The Treasurer will draw Club checks and will determine the manner in which funds will be disbursed. All check signatories will be bonded. Two Officers will sign all Club checks in the amount of \$3,000 or more, except checks for payroll tax deposits; and, one Officer and the Club's outside accountant will sign all Club checks in any amount less than \$3,000 and all payroll tax deposit checks.

**Section 4. Club Books.** The Directors and the Audit Committee will seek out candidates available for hire as independent, outside accountant(s)/bookkeeper(s) ("accountants"), and the Board will annually

approve by simple majority vote the hiring and retention of such accountants, or replacement thereof, at reasonably competitive rates. Such accountants will perform periodic bookkeeping/accounting for the Club; prepare its financial statements, payroll checks, payroll tax returns, and income tax returns; and, review its budget variances and prepare a comparison. The Club books and budget comparison will be reviewed by the Treasurer at least quarterly. The books will be audited annually by the Audit Committee and an audit report will be presented to the Board, and to the Members in the Annual Report. The financial statements of the Club will be available to the Board at all Board Meetings. The financial statements and other records of the Club will be available, with sufficient notice to the Club, to Members at all times.

**Section 5. Club Budget.** The Committee Chairs will submit to the Treasurer proposed budget expenditures, and, if applicable, proposed revenues. From such proposals the Treasurer will draft a proposed line-item budget, which the Finance Committee will review and supplement. The Finance Committee will review the proposed line-item budget of the Club's projected revenues and expenditures for the ensuing year. The line-item budget will be submitted to the Board for approval and will be included in the Annual Report for approval by the Members at the Annual Meeting. The Treasurer will periodically prepare, or have prepared, and then review, the comparison of budgeted amounts to actual revenues and expenditures, and any variances from the budget will be reviewed and analyzed by the Board and by the outside accountant.

**Section 6. Directors' Meeting Attendance Requirement.** The Board will meet once in the month of March following the Annual Meeting, and at least once a month during the months of March, April, May, June, July, August and September, and at such other times and intervals as they deem necessary. Each Director is required to attend 2/3 of the regular meetings and failure by any Director to do so is grounds for removal by a simple majority vote of the remaining Directors.

**Section 7. Removal of Directors.** Any Director may be removed by a 2/3 majority vote of the Club Members present at either an Annual Meeting or a Special Meeting called in accordance with these Bylaws. Or, any Director may be removed for cause by a 2/3 majority vote of the remaining Directors. Any Director who resigns or is removed prior to fulfilling the one-year service obligation will not receive the 50% compensation refund as per Article III, Section 2.

**Section 8. Board Vacancies.** In the absence of volunteers or otherwise qualified candidates, the President will appoint candidates to fill Board vacancies, and the Board will vote whether or not to ratify such appointments. Upon ratification, any such appointed Director may serve the remainder of the term of vacancy or until a successor is chosen, whichever occurs first.

**Section 9. Club Contracts.** All Club contracts shall be obtained and signed by the Director responsible for the contract. The contract shall then be presented to the President for signature. A contract for a non-budgeted expenditure must additionally be reviewed and approved by the Board of Directors.

## **Article V OFFICERS AND COMMITTEE CHAIRS**

**Section 1. Election of Officers and Committee Chairs, Terms.** At the first Board of Directors meeting following the Annual Meeting, and held no later than March 31st, the Directors will elect, from among Board Members, Officers and Committee Chairs to serve the Club and its Members. Each Officer and Committee Chair will pay dues and assessments by the April 21 due date. A 50% dues compensation refund will be issued to each Officer and Committee Chair who has actively participated in their duties for

at least a full term. An Officer or Committee Chair who has served more than one-half of a term will be considered to have served the full term. Officers will be: a President (to be elected from among the Directors who have served on the Board during the immediate preceding year), a First Vice President and a Second Vice President; a Secretary and a Treasurer. Committee Chairs will be those listed below in this Article. Officers and Committee Chairs will serve for 1 year or until a successor is chosen, whichever occurs first.

**Section 2. Removal of Officers.** Any Officer may be removed for cause by a 2/3 majority vote of the Board.

**Section 3. Officer Vacancies.** All Officer vacancies shall be posted on the DGSRC website and members notified by email so that volunteer candidates can be sought. Job post information shall include job responsibilities, qualifications, and instructions for candidate submission.

In the absence of volunteers or otherwise qualified candidates, the President will appoint candidates to fill Officer vacancies, and the Board will vote whether or not to ratify such appointments. Upon ratification, any such appointed Officer may serve the remainder of the year or until a successor is chosen, whichever occurs first. The Board will elect a Director to fill a vacancy in the Presidency.

**Section 4. President.** The President will be the general and administrative manager, and an Officer of the Club. He will appoint candidates for Board vacancies, subject to approval from the Board. If the Committees from among themselves do not elect Committee Chairs, the President will appoint such Chairs, subject to approval from the Board. He/She will appoint and staff all special committees as required. He/she will be a member ex officio of all committees.

The President will preside at Annual Meetings of the Club and at the Board of Directors Meetings. While presiding over Annual Meetings and Directors Meetings, the President will oversee discussions in an impartial manner and will cast only a written vote on matters before the Board for vote, and such vote will be counted only in the event of a tie. He will serve as the parliamentarian and will interpret **Robert's Rules of Order** as they govern Annual Meetings and Directors Meetings.

**Section 5. Vice Presidents.** The Vice Presidents will act as general and administrative managers and Officers of the Club under the direction of, and for the purpose of assisting, the President. In the absence of the President, the First Vice President will act in his/her stead; in the absence of the First Vice President, the Second Vice President will act in his/her stead.

**Section 6. Secretary.** The Secretary will act as the general record-keeper and correspondent of, and as an Officer of, the Club. The Secretary will record and sign minutes of all meetings and record resolutions adopted, keep the minute book including corporate records, maintain the Bylaws, distribute the notices of all the meetings (Annual Meetings, Special Meetings and Board of Directors Meetings), and generally attend to the correspondence pertaining to his/her office and the Club. He/she will perform such other duties pertaining to his/her office as may be required by the Board.

A draft version of Annual Meeting or Special Meeting minutes shall be made available for review by the Board of Directors at their next meeting as per Article X, Section 4.

**Section 7. Treasurer.** The Treasurer will act as an Officer of the Club and will attend to the business and financial matters of the Club. He/she will be responsible for collecting and recording revenues (depositing them in the Club name and in such bank account(s) as authorized by the Board), annually preparing a draft budget and the variances thereto, paying bills as approved by the Board, and preparing

and maintaining the financial records or overseeing their preparation and maintenance. A 5-year audit will be conducted by an independent external auditor in years ending with 0 and 5. The Auditor's Report will be presented at the following Annual Meeting.

The Treasurer will be the Chair of the Finance Committee. In such capacity, he will accept from the Committee Chairs submissions of their proposed budget expenditures and revenues from which he will prepare a draft of the annual line-item budget to be presented at the Annual Meeting. He will perform such other duties pertaining to his office as may be required by the Board.

**Section 8. Board Committees and Committee Chairs.** The standing Committees, which are also "Board" Committees (those Committees which are chaired by a Director on the Board), will be Membership, Finance, Facilities and Grounds, Snack Bar, Water Sports, Tennis, Personnel, Long Range Planning and Social. The Committees and their functions are listed below, and each Committee Chair will submit annually to the Treasurer, and ultimately the Finance Committee, a proposed line-item budget of such Committee's revenues (if applicable) and expenditures:

- (A) The Membership Committee will review and process all applications for membership. New membership cards will only be issued by the membership committee,
- (B) The Finance Committee will be chaired by the Treasurer and will consist of at least 5 persons, some of whom must be Members who are not Directors. The Finance Committee will review the draft annual line-item budget and will supplement and prepare it for submission to, and for approval by, the Board and the Members. The Finance Committee will exercise general supervision over the financial transactions of the Club,
- (C) The Facilities and Grounds Committee will exercise supervision over and will attend to the improvement, maintenance and operation of the Club facilities and grounds, including the pools, tennis courts, volley ball courts, shuffleboard courts, buildings and operating equipment. The Facilities and Grounds Committee will consist of at least 3 persons, some of whom may be Members who are not Directors,
- (D) The Snack Bar Committee will make recommendations for Snack Bar operations. The Club Manager will be responsible for the overall operation of the Snack Bar, including supervision of the Snack Bar Manager. The Snack Bar Manager will supervise all other Snack Bar employees,
- (E) The Water Sports Committee will prepare all programs relating to competitive water sports and water sports instruction. With the assistance of the Pool Managers, the Water Sports Committee will exercise supervision over the same,
- (F) The Tennis Committee will prepare all programs relating to tennis activities and, with the assistance of the Club Manager, will exercise supervision over operation of the same,
- (G) The Personnel Committee will consist of at least 2 persons, one of whom may be a Member who is not a Director. The Personnel Committee will actively assist the Board in filling vacancies. All job openings shall be posted on the DGSRC website and Members notified by email so that the job may be filled as a volunteer position. Job post information shall include job responsibilities, qualifications, and instructions for candidate submission. The Personnel Committee will oversee the Club Manager in interviewing, hiring and dismissing all Club

employees, and will assist in determining their duties, compensation and contractual arrangements,

- (H) The Long-Range Planning Committee will plan and make recommendations to the Board concerning the overall operation of the Club, its facilities, and the future direction of all Club activities,
- (I) The Social Committee will prepare all programs of entertainment and social activity, and exercise supervision over the same.

**Section 9. Non-Board Committees.** The Non-Board Committees (those Committees which are chaired by a person who has no vote on the Board) will be the Audit Committee, the Nominating Committee and the Bylaws Committee.

- (A) The Audit Committee will be a standing permanent Committee comprised of at least 3 non-Director Members, elected by and from the Members. Each Audit Committee Member will serve a 3-year staggered term; one new person will be nominated by the Nominating Committee each year to replace the one person whose term is expiring. The Audit Committee will oversee the preparation of, or prepare, as the case may be, the annual audit of the financial statements of the Club and report thereon, and will present an annual audit report to the general membership at each Annual Meeting by way of submission of such audit report for inclusion into the Annual Meeting Notice.

Additional quarterly duties of the Audit Committee will include:

- Review all expenditures over \$5,000.
  - Review all expenditures paid to Members and Board Members.
  - Scan the annual disbursements ledger for any unusual payments.
  - Scan the payroll records for any payments over \$500.
  - Review monthly bank reconciliations.
  - Tie out membership and lesson records to the amounts booked on the income statement.
  - Verify that the loan balance with the bank agrees with the balance sheet each month end.
- (B) The Nominating Committee will be a standing permanent Committee comprised of 5 volunteer Members, 1 of which may be on the Board. This Committee will be formed after the Annual Meeting but before the completion of the pool season, with the notice for vacancies posted on the DGSRC website and the pool and tennis bulletin boards. The Nominating Committee will nominate candidates for the Board for the ensuing year. The Nominating Committee will also nominate 1 candidate for the Audit Committee for the ensuing year.
  - (C) The Bylaws Committee will not be a standing permanent Committee and will review these Bylaws at least every 2 years (even years), and will revise them if necessary, subject to approval by the Members at the Annual Meeting. The Bylaws Committee shall consist of at least 5 non-Board Members and will be formed after the Annual Meeting but before the completion of the pool season, with the notice for vacancies posted on the DGSRC website and the pool and tennis bulletin boards. The previous Bylaws Committee will advise the Board on matters of interpretation of the Bylaws wherever possible.

**Article VI**  
**FIDUCIARY DUTY OF DIRECTORS AND OFFICERS**

**Section 1. Assets, Credit, Contracts.** Neither the Board of Directors, nor any individual Director or Officer, will borrow or pledge the credit of the Club, purchase real estate for the Club, sell or otherwise dispose of the Club or its real estate or other property, or negotiate or execute a contract for such purchase or sale, without the specific approval of the Members at a duly held meeting.

**Section 2. Prohibition on Compensation.** No Director or Officer will be a paid provider of services to the Club, nor will otherwise be permitted to receive compensation for any service rendered to, or work performed for, the Club other than the 50% reduction in Club membership fee. However, this provision does not preclude any Director or Officer from receiving reimbursement for any actual out of pocket expenses. Such reimbursements will be made only after receipts for such expenditures are presented (1) to the Treasurer and (2) to either the outside accountant or to the Board.

**Section 3. Impartiality, Consequences of Failure to Comply with the Bylaws.** All Directors and Officers will impartially serve the Club, and will at all times maintain the best interests of the Club, its Members, and the preservation of Club assets. Failure by any Director or Officer to comply with any provisions of these Bylaws, or failure to otherwise act in a manner consistent with the fiduciary duty of a Director or Officer, will be grounds for removal by a 2/3 majority vote of the remaining Directors and Officers.

**Article VII**  
**MEMBERSHIPS**

**Section 1. Types of Membership.**

- (A) Memberships in the Club will consist of the following classes, and Members will choose and submit dues for the type of Membership that describes the Member(s): Family, Special, Single, Couple, Senior, Honorary, Inactive, Tennis Only.
- (B) Any person holding, or covered by, a membership is deemed a Member, including family members covered by a membership of a Member.
- (C) Age of Members is determined by the age attained as of January 1<sup>st</sup> of the current year.
- (D) All classes of memberships are Active memberships, except the Inactive Membership.
- (E) The Club will not discriminate in membership selection, personnel selection, personnel employment, or election of Directors and Officers, on the basis of age, race, gender, religion, sexual orientation, or ethnic or national origin.
- (F) It is the responsibility of the Member to notify the membership chairman in writing when changes in membership status occurs.

**Section 2. Family Membership.** A Family Membership will be issued to a married couple or single parent and their dependent children, and any other family member permanently residing in one household, when such other family member provides proof of residency. Membership cards will be issued to all Members of the family listed on the application form.

**Section 3. Special Membership.** A Special Membership will be issued to a nanny, foreign exchange student or baby sitter, who either resides in the Member household or who cares for children residing in the Member household. A Special Membership may be purchased only by a family holding a Family Membership and, with the exception of the foreign exchange student, may be used only by a Special Member when accompanied by Member child(ren). A Special Membership identification card will be issued in the name of the Family Membership family only. It will be the responsibility of the Family Member family to ensure that the Special Membership identification card is used in accordance with these Bylaws.

**Section 4. Single Membership.** A Single Membership will be issued to a person who has reached 21 years of age, who is not married and has no children living at home. Membership identification card will be issued to the Single Member only.

**Section 5. Couple Membership.** A couple membership will be issued to a married couple who has no children living at home. Membership ID cards will be issued to the married couple only.

**Section 6. Senior Membership.** A Senior Membership will be issued to Senior Couples or Senior Single who have/has maintained any active Club membership for at least 10 years, where one of the Members persons has reached 50 years of age. Membership identification cards will be issued to the Senior husband and wife or the Senior single only, but not to any of their children of any age.

**Section 7. Honorary Membership.** An Honorary Membership will be issued to a Member who has maintained an active Club membership for at least 15 consecutive years, where one of the Members has reached 60 years of age. Membership identification cards will be issued to the husband and wife, Honorary Members only, but not to any of their children of any age. New Honorary memberships will not be issued after January 1, 2015. Existing honorary memberships will maintain their status until they withdraw from the Club. Honorary memberships will continue to pay capital assessments but no dues.

**Section 8. Tennis Only Membership.** A Tennis Only Membership will be issued to any Family or Single who desires to play tennis only. No pool privileges will be granted. The years accumulated as a Tennis Only Member will not count towards the years required for a Senior Membership or an Honorary Membership.

**Section 9. Inactive Membership.** Any Active Member may request that his membership be transferred to Inactive status by providing written notice to the Board by April 21. Any Member making such request after April 21 will forfeit the Initiation Fee. Inactive Members will not be required to pay dues during Inactive status, and Inactive Members will not be permitted to use Club facilities. An Inactive Member will not be entitled to reimbursement of any part of his reimbursable Initiation Fee by virtue of his/her Inactive status. A transfer to Inactive status automatically expires after 1 year. Before April 21, an Inactive Member must either resume Active status or relinquish his/her membership. Upon the receipt by the Membership Committee of written request for transfer to Active status, an Inactive Member will be immediately returned to Active membership status if membership levels permit

**Section 10. Suspension of, Expulsion from, Membership.** The Club Manager may suspend Club privileges of any Member for up to 4 days as a consequence of such Member's violation of Club Bylaws, Rules, Regulations or Policies. Any member may be suspended for any period of time up to an entire season, or expelled permanently from Membership, by a 2/3 majority vote of the Board. Such suspension or expulsion must be for cause and after an opportunity for a hearing with the suspended or expelled Member. Cause for suspension or expulsion will include, but not be limited to, violation of: (1) these

Bylaws, (2) the Rules and Regulations of the Club, (3) any Policies affected by the Club Manager, and (4) inappropriate conduct. A detailed record of each suspension and expulsion will be kept by the Club Manager and submitted to the Board.

**Section 11. Rights, Duties, Privileges, Obligation of Membership.**

- (A) All Members and their guests will be permitted to use the facilities of the Club subject to the Club Rules and Regulations, which will be posted at all times on the premises of the Club, and subject to policies in effect promulgated by the Club Manager.
- (B) The Board, in its discretion, and for compensation to the Club, may extend the privileges of the Club to non-member groups, except during hours of operation of the Club.
- (C) Any property of the Club damaged or removed from the Club premises by a Member or his/her guests will be paid for by such Member. Club property will not be removed from the grounds without the approval of the Board.
- (D) The Club assumes no responsibility for loss of property which may be brought into or left in the Club buildings or on the grounds by Members or guests.
- (E) The Club assumes no responsibility, and Members or their guests will have no claim against the Club, for any accident or injury to any person or their property.

**Section 12. Membership Limits and Transferability.**

- (A) The number of Active Family memberships of the Club will not exceed 830. Special, Single, Senior, Honorary or Tennis Memberships will not be counted towards the maximum.
- (B) Memberships are not transferable.

**Section 12. Unique Membership Situations.** Any former, existing, or future Member who believes that he/she has a unique membership situation or a unique membership request, which is not otherwise addressed in these Bylaws, may present such situation or make such request in writing to the Chair of the Membership Committee and/or to the Board. Such request will be granted only after approval by a simple majority vote of the Board.

**Article VIII  
DUES AND FEES**

**Section 1. Determination of Membership Dues, Fees and Assessments.** Each year the Board will establish Membership dues for the ensuing year, in an amount sufficient to provide for the ordinary and necessary operating expenses of the Club and the proper maintenance and improvement of its property, and to provide funds for interest on and the retirement of indebtedness as determined by the Board. Membership dues and late fees, will be payable as determined by the Board, see Addendum A—Fee Schedule. No dues or part thereof will be refunded in the event that Club operations are suspended for any period. Capital Assessments and Special Assessments as deemed necessary by the Board and approved by the Members will be assessed to all Memberships, including Family, Senior, Single, Honorary and Tennis, but not to Special and Inactive Memberships. Involuntary assessed items, such as tax assessments, will be effective without Member approval. Capital Assessments shall be defined as any expenditure required to maintain or improve the Club beyond the current year operating budget. Special

Assessments shall be defined as any expenditure not included in the operating or capital budget necessary to continue the operations of the Club.

**Section 2. Initiation Fee.** Once membership application is approved, payment of the initiation fee, annual dues, and capital assessments is due. Membership cards will only be issued when all fees are paid in full.

**Section 3. Refund of Pre-1996 Initiation Fee.** Any \$100 refundable Initiation Fee deposited by a Member prior to 1996 is hereby deemed to be a non-interest bearing deposit within the Club for an indefinite period. Upon withdrawal from the Club by any Member who became a Member prior to 1996, such Member will receive a refund of \$100 of the Initiation Fee, less any debt owed by the Member to the Club. In order to receive such a refund, any withdrawing Member must send a "letter of Membership Withdrawal and Refund Request" to the Chair of the Membership Committee. Such letter must be sent by either certified mail or by any delivery service which provides proof of delivery (such as Federal Express, UPS, messenger, etc.). The Club's repayment to a member of all or part of such deposit will be at the discretion of the Board, except upon a Member's withdrawal from the Club. Upon dissolution of the Club, pre-1996 Initiation Fees will be refunded to all pre-1996 Members who have not previously received such refund, to each Member's address in the records of the Club, and without a "Letter of Membership Withdrawal and Refund Request".

**Section 4. Club Dissolution Provisions.** The Members may vote to dissolve the Club by written consent of a simple majority (51%) of the entire Club Active Memberships as per Article IX, Section 3. Prior to dissolution, all liabilities and obligations of the Club will be paid and all pre-1996 Initiation Fee deposits of \$100 will be refunded to pre-1996 Members. Each pre-1996 Initiation Fee will be refunded in the chronological order in which the memberships became effective, subject to availability of funds. Club property will be sold in order to satisfy all liabilities, obligations and deposits, which liabilities, obligations and deposits will be liens on Club property until paid from the process of any sale of such property. Upon the effective date of the dissolution, which date will be determined by the Board after the winding up is complete, any surplus money or property will be donated to another not-for-profit organization or organizations, which have been selected, and voted upon, by the Members.

**Section 5. Membership Termination for Nonpayment of Dues and Assessments.** Any Member, except an Honorary Member, failing to pay annual dues by April 21 will have their membership terminated. Any Honorary Member failing to pay all Special Assessments and/or Capital Assessments by April 21 will have their membership terminated. Any Member may reapply for membership after such Member has been terminated and will be placed on the bottom of the waiting list. A terminated Member will not be liable for an additional Initiation Fee.

## **Article IX MEMBER MEETINGS**

### **Section 1. Member Meetings**

- A. **Annual Meetings.** An Annual Meeting of all active Members will be held on a date between January 15 and February 28 at such place and time as the Board may determine ("the Annual Meeting"). The purposes of the Annual Meeting will be to: (1) approve and elect nominees to the Board of Directors, (2) present Committee reports, including the annual report of the Audit Committee and any audit report, (3) to approve the budget, (4) to approve changes to the Bylaws, and (5) to transact such other

business as may be indicated in the notice of Annual Meeting or as may be raised orally at the Annual Meeting.

- B. Special Meetings.** A Special Meeting of the Club may be called by the Board, or by the Members upon written request to the Secretary by 10% of the Active Memberships, with such request stating the purpose of the Special Meeting. Notice of the Special Meeting will be electronically sent to Members at least 14 days prior to the Meeting unless postal notification is requested by Member. No business other than that stated in such notice will be transacted at such meeting.
- C. Non-Budgeted, Non-Emergency Expenditure Approval by Members.** No expenditure of a non-budgeted, non-emergency item of \$10,000 or more may be made unless it is first approved by a simple majority vote of the Members present at a Special Meeting. The requisite Special Meeting notice will include a statement of the nature and cost of the proposal. Member approval is not required if the time delay involved in giving such notice and holding such Special Meeting is expected to close the pool, hinder its opening, or cause a life/safety issue. Before a Special Meeting is called as to any such expenditure, the Board must first have submitted the proposal to at least 2 contractors for written competitive bids. A series of expenditures related to the same project will be deemed one expenditure.

**Section 2. Notice of Member Meetings; Member Nominations for Director.** Notice of the Annual Meeting will be electronically sent to the Members at least 14 days prior to the Meeting. The notice of the Annual Meeting will include, or provide website reference to, the following information:

- (A) The names of the candidates nominated by the Nominating Committee and nominated in writing by Members.
- (B) The proposed budget.
- (C) The audit report from the previous year.
- (D) The proposed changes to the Bylaws.
- (E) The Meeting Minutes for Approval for Annual Meetings and all Special Meetings held since the previous Annual Meeting.

Independent Director nominations may be made from the floor during the Annual Meeting, subject to the consent of such nominees.

**Section 3. Voting Weight; Place of Notice; Meeting Procedure.** At each Annual Meeting or Special Meeting where voting takes place, there is one vote allotted per active membership, except Special Membership which is not eligible to vote.

Voting procedures are:

- (A) Votes may be by voice or the showing of hands (1 vote per eligible membership); however, 10 Members will have the right to demand a vote by roll call (Members individually standing, giving their name, and their vote).

(B) Voting by hand requires an eligibility card.

Whenever in these Bylaws notice to Members is required, notification will be made as per Article IX, Section 2. Meetings will be conducted and questions will be decided by **Robert's Rules of Order**.

## **Article X DIRECTORS MEETINGS**

**Section 1. Regular Meetings.** The Board of Directors will hold its first meeting no later than March 31<sup>st</sup> in each year and will establish a schedule of its subsequent meetings, which schedule will be published on the DGSRC website and shall be posted during the summer season on the Club bulletin board. The agenda for a regular meeting should be published on the DGSRC website 5 days prior to the meeting. Regular Meetings will be open to the Members of the Club and will serve as an open forum for communication among the Members and the Board.

**Section 2. Special Meetings.** Special Meetings of the Board may be called by the President and will be called by the Secretary upon the request of at least two Directors. Notice of each Regular Meeting and Special Meeting of the Board will be given to each Director at least 5 days prior to such meeting; however, when, in the judgment of any two Directors, an emergency exists, only 24 hours notice is required.

In the event of an emergency, a Directors' discussion may be called via e-mail without prior notice. Discussions may take place and a consensus reached but no vote via e-mail can be taken. The motion will be presented and voted on at the next scheduled Board meeting.

**Section 3. Emergency Meetings by Telephone.** In the event of an emergency, a Directors' Meeting may be called by telephone without prior notice. In such event, any decision will be made by a majority vote of those Directors present by telephone. Records will be kept of the Directors called, their participation in the telephone conference meeting and their votes cast.

**Section 4. Meeting Procedure.** Meetings will be conducted and questions will be decided by **Robert's Rules of Order**. The Directors Meeting subsequent to an Annual Meeting or Special Meeting shall approve a draft of the minutes of such meeting and post them on the DGSRC website for membership review within 2 weeks of the Directors Meeting for adoption at the next Annual Meeting.

## **Article XI NOMINATIONS FOR BOARD OF DIRECTORS**

**Section 1. Committee Nominations for Directors.** The Board will include a notice of Nominating Committee vacancies with the Annual Report and will post such notice on the DGSRC website and the pool and tennis bulletin boards throughout the season for vacancies expected to occur in the ensuing year. From candidates volunteering for the Nominating Committee, up to 5 Members will be inducted to the Nominating Committee at the end of the swim season, 1 of which may be on the Board and the remainder of which must be from the general membership. The Nominating Committee will nominate candidates for Board vacancies to be filled by election at the next Annual Meeting. Nominating Committee Members are ineligible to be nominated as Director or Officer Candidates for the ensuing year.

If an insufficient number of volunteers are available to affect the business of the Committee, the President will appoint Nominating Committee Members in sufficient numbers

from the Board and from the general membership, with ratification by the Board. The Nominating Committee Chair (elected by the Nominating Committee from among themselves) will forward written Director nominations to the Club Secretary on or before January 15, if such Director nominations are to be included on a written ballot in the Annual Report.

**Section 2. Qualifications for Directors.** In order to be nominated for Director:

- (A) The candidate must have been a DGSRC Member for 3 consecutive years;
- (B) The candidate must disclose at the time of nomination if he is an immediate relative of a current board member.

**Section 3. Member Nominations of Directors.** Members may nominate Director candidates in writing to the Secretary by January 15<sup>th</sup>, if such nominations are to be included on a written ballot in the Annual Report. Members may also orally nominate Director candidates from the floor during the Annual Meeting.

## **Article XII INDEMNIFICATION**

Each Director, Officer or Manager of the Club will be indemnified by the Club against losses or costs actually incurred by him/her when acting within the scope of his/her authority for the Club, as a result of or in connection with any allegation, litigation or settlement thereof. This right of indemnification will not apply to any Director, Officer or Manager who as acted negligently, fraudulently, or otherwise in bad faith. This right of indemnification will inure to each covered person whether or not he holds such position at the time such losses or costs are imposed or incurred and in the event of his death will extend to his/her heirs and assigns. The Club will purchase a policy of Directors and Officers Insurance with limits of up to \$1,000,000 covering losses and costs described in this Section.

## **Article XIII EFFECTIVE DATE OF BYLAWS; GRACE PERIOD**

The effective date of these Bylaws will be on the date of the Annual Meeting if adopted by the Members, or on such later date as proposed revisions thereto are finalized.